

This Offering Memorandum is distributed in connection with an offering of Participating Shares, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat it as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Participating Shares. **Prospective investors should consult their professional advisers accordingly.**

UBS (CAY) Dynamic China A Share Fund

(incorporated as an exempted company
with limited liability in the Cayman Islands)

OFFERING MEMORANDUM

relating to an offering of Participating Shares

28 February 2022

UBS Asset Management (Hong Kong) Limited

IMPORTANT NOTICE TO POTENTIAL INVESTORS

This Offering Memorandum relates to the offering of Participating Shares in the Company, an open-ended exempted company incorporated with limited liability under the Companies Act.

Investor responsibility

The Company does not make representations or warranties of any kind with respect to the economic return from, or the tax consequences of an investment in, the Company. It cannot assure that existing laws will not be changed or interpreted adversely.

Prospective investors must not treat this Offering Memorandum as legal, investment or tax advice. This Offering Memorandum supersedes all previous versions (if any).

Before making an investment in the Company, prospective investors should review this Offering Memorandum carefully and in its entirety and consult with their legal, tax and financial advisers in relation to: (i) the legal and regulatory requirements within their own countries for the purchase, holding, redeeming or disposing of the Participating Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, redeeming or disposing of the Participating Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of the Participating Shares.

By retaining this Offering Memorandum, each recipient acknowledges and represents to the Company that it has read, understood and accepted the terms of this "Important Notice to Potential Investors". If the recipient does not accept these terms, it must immediately return this Offering Memorandum to the Company, marked to the attention of "The Directors".

Distributions and selling restrictions

No action has been taken to permit the distribution of this Offering Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Offering Memorandum and/or an Application Form for Participating Shares in any territory may treat it as constituting an invitation to him to purchase or subscribe for Participating Shares nor should he in any event use such an Application Form unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirement.

The Company may not make an invitation to the public in the Cayman Islands to subscribe for the Participating Shares unless the Company is listed on the Cayman Islands Stock Exchange. For these purposes, "public" has the same meaning as "public in the Islands" as defined in the Mutual Funds Act. Apart from this restriction, persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands may beneficially own Participating Shares.

WARNING: The contents of this Offering Memorandum have neither been reviewed nor endorsed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice. This Offering Memorandum has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "**Ordinance**") but has not been authorised by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Participating Shares may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Offering Memorandum may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Participating Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a "professional investor" as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

Other jurisdictions: The absence of a discussion in this Offering Memorandum regarding sales restrictions of the Participating Shares in any particular jurisdiction does not imply that the Participating Shares may or may not be purchased in such jurisdiction by prospective investors. Jurisdictions not addressed herein may or may not permit the purchase of the Participating Shares by prospective investors who are subject to the laws and regulations of such jurisdictions. Prospective investors should consult their own professional advisors with respect to the purchase of the Participating Shares.

The Company is a regulated mutual fund for the purpose of the Mutual Funds Act. The Company is registered with CIMA pursuant to section 4(4) of that Act on the basis that the equity interests in the Company are held by not more than fifteen investors, the majority in number of whom are capable of appointing and removing the operator (which, in the case of the Company, means its Directors). Certain prescribed details of the Company have been filed with CIMA. Such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Offering Memorandum or the offering of the equity interests in the Company.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE CAYMAN ISLANDS MONETARY AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE COMPANY.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE CAYMAN ISLANDS MONETARY AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

Except as outlined in the data protection policy in the Application Form, any information forwarded to the Company by a potential investor will be treated on a confidential basis. If required to do so by law or regulation, the Company may pass on that information to a relevant third party. By subscribing for Participating Shares, each subscriber is deemed to have consented to such release of confidential information pursuant to Section 3(1)(b) (or any amendment of that provision) of the Confidential Information Disclosure Act, 2016 of the Cayman Islands.

The Articles give powers to the Directors to cause the Company to redeem any or all of the Participating Shares held by any person at the appropriate Redemption Price at any time and for any reason.

Any information given or representation made by any dealer, salesman, distributor or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Participating Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum is correct at any time subsequent to the date of this Offering Memorandum.

Potential subscribers for Participating Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding or disposal of Participating Shares.

Investment in the Company carries substantial risk. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. The value of the Participating Shares may go down as well as up and investors may not get back the amount invested. An investment in the Company is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of their investment in the Company. An investment in the Company is not intended to be a complete investment programme for any investor.

There is no public market for the Participating Shares, nor is a public market expected to develop in the future.

In determining whether to invest in the Company, investors should rely on their own investigations and evaluations of the Company and the terms and conditions of the offering, including the merits and risks involved in this investment. This investment involves significant risks and is suitable only for sophisticated investors (see the sections below headed "Risk Factors" and "Conflicts of Interest"). Investors should have the financial ability and be willing to accept the risk characteristics associated with the type of investments that the Company proposes to make.

The forward-looking statements in this Offering Memorandum are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

If and when included in this Offering Memorandum, words such as "expects", "intends", "anticipates", "estimates", "believes", "could", "envisages", "may", "plans", "will", and analogous expressions (or the negative of those, variations or comparable expressions, including references to assumptions) are intended to identify forward-looking statements. Any statement of this kind is inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Without seeking to be exhaustive, those risks and uncertainties include: (i) general economic and business conditions; (ii) interest rate risks; (iii) prepayment risks; (iv) delinquency and default rates; (v) competition; (vi) changes in political, social and economic conditions; (viii) regulatory initiatives and compliance with governmental regulations; and (ix) customer preferences. Many of these are beyond the Company's or the Investment Manager's or the Sub-Investment Manager's control.

These forward-looking statements speak only as of the date of this Offering Memorandum. None of the Company, its Directors, the Investment Manager, the Sub-Investment Manager, the Administrator or any of their respective affiliates is obliged, or undertakes, to release publicly any updates or revisions to any forward-looking statement to reflect a change in the Company's or the Investment Manager's or the Sub-Investment Manager's expectations or a change in events, conditions or circumstances on which the statement is based.

In the event that there is any conflict between this Offering Memorandum and the Memorandum and Articles, the Application Form or any of the Material Contracts, the Directors shall ensure that the Offering Memorandum is amended as soon as reasonably practicable after the conflict is identified to ensure that conflict is resolved.

Table of Contents

| | |
|---|----|
| DIRECTORY | 1 |
| DEFINITIONS | 2 |
| THE COMPANY | 6 |
| REGULATION | 6 |
| BENEFICIAL OWNERSHIP REGIME | 7 |
| DATA PROTECTION | 7 |
| INVESTMENT OBJECTIVE AND POLICIES..... | 8 |
| BORROWING POLICY AND LEVERAGE POLICY | 9 |
| SECURITIES LENDING AND REPURCHASE / REVERSE REPURCHASE TRANSACTIONS.. | 9 |
| UNDERWRITING | 9 |
| DIVIDEND POLICY | 9 |
| RISK MANAGEMENT | 9 |
| LIQUIDITY RISK MANAGEMENT POLICY | 10 |
| RISK FACTORS | 10 |
| ISSUE AND REDEMPTION OF PARTICIPATING SHARES..... | 21 |
| MANAGEMENT AND ADMINISTRATION | 26 |
| CHARGES AND EXPENSES | 32 |
| CONFLICTS OF INTEREST | 33 |
| SOFT COMMISSION ARRANGEMENTS | 36 |
| REPORTS, STATEMENTS AND MEETINGS | 37 |
| TAXATION | 37 |
| VALUATION AND PRICES | 44 |
| MEMORANDUM AND ARTICLES OF ASSOCIATION | 47 |
| GENERAL INFORMATION..... | 50 |
| APPENDIX | 54 |

DIRECTORY

Directors

Kevin Solomon
Tammy Jennissen
Suet Ting Wong (Sherry)

Registered Office

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Investment Manager

UBS Asset Management (Hong Kong) Limited
52/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Sub-Investment Manager

UBS Asset Management (Singapore) Ltd.
9 Penang Road
Singapore 238459

Administrator

HSBC Trustee (Cayman) Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Administrator's Delegate and Custodian

HSBC Institutional Trust Services (Asia)
Limited
1 Queen's Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
P.O. Box 258
4th Floor, 18 Forum Lane
Camana Bay
Grand Cayman, KY1-1104
Cayman Islands

Legal Advisers

as to matters of Cayman Islands law:

Ogier
11/F, Central Tower
28 Queen's Road Central
Central
Hong Kong

Enquiries

Written enquiries relating to the Directors and/or the Company should be addressed to the Investment Manager at the address set out above.

DEFINITIONS

In this Offering Memorandum, the following capitalised terms have the following meanings (unless the context otherwise requires):-

| | |
|-----------------------------------|--|
| "A Class Share" | means a Participating Share denominated in US dollars and designated as an A Class Share; |
| "Administration Agreement" | means the agreement dated 14 September 2009 between the Company and the Administrator pursuant to which the Company has appointed the Administrator to act as the administrator, registrar and transfer agent of the Company and to provide certain administrative services to the Company (as may be amended from time to time); |
| "Administrator" | means HSBC Trustee (Cayman) Limited; |
| "Administrator's Delegate" | means HSBC Institutional Trust Services (Asia) Limited in its capacity as the delegate of the Administrator; |
| "Application Form" | means the application form to be used in connection with a subscription for Participating Shares, in such form as may be determined by the Investment Manager; |
| "Articles" | means the articles of association of the Company; |
| "A Shares" | shall have the meaning as defined below in the section headed "Investment Objective and Policies – Investment Policy"; |
| "Auditors" | means PricewaterhouseCoopers; |
| "Business Day" | means a day (other than a Saturday and a Sunday) on which banks in each of Hong Kong, Singapore and the PRC are open for business and/or such other day or days as the Directors may from time to time determine provided that where as a result of a number 8 typhoon signal or higher, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine; |
| "Cayman Islands" | means the British Overseas Territory of the Cayman Islands; |
| "CIMA" | means the Cayman Islands Monetary Authority; |
| "Class" | means a separate class of Participating Share and includes the A Class Shares, the J Class Shares and the U Class Shares; |
| "Company" | means UBS (CAY) Dynamic China A Share Fund; |
| "Companies Act" | means the Companies Act (Revised) of the Cayman Islands; |

| | |
|--|---|
| "Custodian" | means HSBC Institutional Trust Services (Asia) Limited in its capacity as custodian of the investments and uninvested cash of the Company outside of the PRC; |
| "Custodian Agreement" | means the agreement dated 14 September 2009 between the Company and the Custodian pursuant to which the Company has appointed the Custodian to act as the custodian of the Company's investments and uninvested cash outside of the PRC (as may be amended from time to time); |
| "Directors" | means the directors for the time being of the Company; |
| "Eligible Investor" | means a person eligible to hold Participating Shares, as determined from time to time by the Directors; |
| "IFRS" | means International Financial Reporting Standards; |
| "Instructions Indemnity" | shall have the meaning as defined below in the section headed "Issue and Redemptions of Participating Shares – Issues of Participating Shares"; |
| "Investment Management Agreement" | means the agreement dated 10 September 2009 between the Company and the Investment Manager, as amended and restated on or about 25 November 2010, pursuant to which the Company has appointed the Investment Manager to act as the investment manager to the Company (as may be amended from time to time); |
| "Investment Manager" | means UBS Asset Management (Hong Kong) Limited; |
| "J Class Share" | means a Participating Share denominated in Yen and designated as a J Class Share; |
| "Management Share" | means a non-participating share in the capital of the Company of US\$1.00 par value designated as a Management Share and having the rights provided for in the Articles; |
| "Maples Agreement for the Provision of Directors" | means the agreement dated 11 September 2009 between the Company and MFS to provide the services of two individuals as directors of the Company (as may be amended from time to time); |
| "Material Contracts" | means the Administration Agreement, the Custodian Agreement, the Investment Management Agreement, the Maples Agreement for the Provision of Directors and the SHRK Agreement for the Provision of Directors. |
| "Member" | means each person whose name is, from time to time and for the time being, entered in the register of members of the Company as the holder of one or more shares in the Company; |
| "Memorandum" | means the memorandum of association of the Company; |
| "MFS" | means Maples Fiduciary Services (Cayman) Limited; |

| | |
|--|---|
| "Mutual Funds Act" | means the Mutual Funds Act (Revised) of the Cayman Islands; |
| "Net Asset Value" | means the value of the assets less the liabilities of the Company calculated in accordance with the Articles; |
| "Net Asset Value per Participating Share" | means the amount determined in accordance with the Articles as being the Net Asset Value per Participating Share of a particular Class; |
| "Offering Memorandum" | means this Offering Memorandum (as may be amended from time to time); |
| "Ordinary Resolution" | means a resolution passed by a simple majority of the votes of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution; |
| "Participating Share" | means a voting participating redeemable share in the capital of the Company of US\$0.001 par value and having the rights provided for in the Articles. Participating Shares may be divided into Classes in the discretion of the Directors in accordance with the provision of the Articles and the term "Participating Share" shall include all such Classes of Participating Share, as well as any fraction of a Participating Share; |
| "PRC" | means the People's Republic of China; |
| "QFI" | means a qualified foreign investor (including, if applicable, qualified foreign institutional investors and Renminbi qualified foreign institutional investors) approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time; |
| "QFI Holder" | shall have the meaning attributed to such term below in the section headed "Investment Objective and Policies – Investment Policy"; |
| "Redemption Day" | means each Business Day and/or such other day or days as the Directors may from time to time determine; |
| "Redemption Deadline" | shall have the meaning as defined below in the section headed "Issue and Redemptions of Participating Shares – Redemptions of Participating Shares"; |
| "Redemption Price" | means the price, calculated in the manner described below in the section headed "Valuation and Prices - Subscription and Redemption Prices of Participating Shares", at which Participating Shares of the relevant Class will be redeemed. The most recent Redemption Price for the relevant Class is available on request from the Administrator; |
| "RMB" | means the lawful currency of the PRC; |

| | |
|--|--|
| "Securities Act" | means the US Securities Act of 1933, as amended; |
| "Service Providers" | means any of the Investment Manager, the Sub-Investment Manager, the Administrator, the Administrator's Delegate, the Custodian and their respective delegated, as the context may require; |
| "Shareholder" | means each person whose name is, from time to time and for the time being, entered on the register of members of the Company as the holder of one or more Participating Shares; |
| "SHRK Agreement for the Provision of Directors" | means the agreement dated 1 June 2021 between, among others, the Company, SHRK Pte. Ltd. and Suet Ting Wong (Sherry), pursuant to which Suet Ting Wong (Sherry) will provide services as a director of the Company (as may be amended from time to time); |
| "Special Resolution" | means a resolution passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person, or where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a unanimous written resolution; |
| "Sub-Investment Manager" | means UBS Asset Management (Singapore) Ltd.; |
| "Sub-Investment Management Agreement" | means the agreement dated 25 May 2018 between the Investment Manager and the Sub-Investment Manager pursuant to which the Investment Manager has appointed the Sub-Investment Manager to act as the sub-investment manager to the Company (as may be amended from time to time); |
| "Subscription Day" | means each Business Day and/or such other day or days as the Directors may from time to time determine; |
| "Subscription Price" | means the price, calculated in the manner described below in the section headed "Valuation and Prices - Subscription and Redemption Prices of Participating Shares", at which Participating Shares of the relevant Class will be issued on any Subscription Day. The most recent Redemption Price for the relevant Class is available on request from the Administrator; |
| "Suspension" | means a determination by the Directors to postpone or suspend (i) the calculation of the Net Asset Value per Participating Share of any one or more Classes (and the applicable Valuation Day); (ii) the issue of Participating Shares of any one or more Classes (and the applicable Subscription Day); (iii) the redemption (in whole or in part) of Participating Shares of any one or more Classes (and the applicable Redemption Day); and/or (iv) the payment of any redemption proceeds (even if Valuation Days and Redemption Days are not postponed); |

| | |
|---|--|
| "UBS AG Group" | means (i) UBS AG; (ii) any holding company of UBS AG; (iii) any subsidiary of UBS AG or such holding company; or (iv) any entity (the "Affiliated Entity") in which any of (i) to (iii) holds a 20% or greater holding of the Affiliated Entity's shares, units or similar interest; |
| "U Class Share" | means a Participating Share denominated in US dollars and designated as a U Class Share; |
| "US" | means the United States of America, its territories and possessions; |
| "US dollars" and "US\$" and "cent" | means the lawful currency of the US; |
| "US Person" | means a person as defined in Regulation S under the Securities Act; |
| "Valuation Day" | means each calendar day (excluding Saturdays and Sundays) and/or such other day or days as the Directors may from time to time determine; |
| "Valuation Point" | means the close of business in the last relevant market to close on each Valuation Day or such other time on each Valuation Day as the Directors may from time to time determine; and |
| "Yen" and "¥" | means the lawful currency of Japan. |

THE COMPANY

The Company is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Act on 27 August 2009 and empowered under the Memorandum and Articles and the laws of the Cayman Islands to issue and redeem Participating Shares and to carry on investment activities.

The Company is denominated in US dollars. The investment objective and policies, investment restrictions and borrowing policy of the Company are set out below. The Company will be managed by the Directors who will review the activities of the Investment Manager, the Administrator, the Custodian and the other service providers and decide upon matters of general policy.

REGULATION

The Company is a regulated mutual fund for the purpose of the Mutual Funds Act. The Company is registered with CIMA pursuant to section 4(4) of that Act on the basis that the equity interests in the Company are held by not more than fifteen investors, the majority in number of whom are capable of appointing and removing the operator (which, in the case of the Company, means its Directors). Certain prescribed details of the Company have been filed with CIMA. Such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Offering Memorandum or the offering of the equity interests in the Company.

The Company has ongoing obligations under the Mutual Funds Act following its initial registration with CIMA. These include:

- (a) to file with CIMA details of any changes to the prescribed details filed with CIMA;
- (b) to file annually with CIMA accounts audited by an approved auditor and a fund annual report; and

- (c) to pay a prescribed annual fee.

As a regulated mutual fund, the Company is subject to the supervision of CIMA. At any time, CIMA may instruct the Company to have its accounts audited and to submit them to CIMA within a specified time. Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a regulated mutual fund:

- (a) is or is likely to become unable to meet its obligations as they fall due; or
- (b) has contravened any provision under the Mutual Funds Act or of the Anti-Money Laundering Regulations (Revised);
- (c) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;
- (d) is not being managed in a fit and proper manner; or
- (e) has persons appointed as director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of CIMA include, amongst others: (i) the power to require a Director and/or the Investment Manager to be replaced; (ii) the power to appoint a person, at the expense of the Company, to advise the Company on the proper conduct of its affairs; (iii) the power to appoint a person, at the expense of the Company, to assume control of the affairs of the Company, including for the purpose of terminating the business of the Company; and (iv) the power to cancel or impose conditions on any mutual fund registration granted under the Mutual Funds Act. CIMA also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Company to re-organise its affairs in a manner specified by CIMA.

CIMA has a discretionary power to impose substantial administrative fines upon the Company in connection with any breaches by the Company of prescribed provisions of certain regulatory laws and regulations of the Cayman Islands including the Mutual Funds Act and the Anti-Money Laundering Regulations (Revised) of the Cayman Islands and upon any Director or officer of the Company who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Company, the Company will bear the costs of such fine and any associated proceedings.

BENEFICIAL OWNERSHIP REGIME

The Company is regulated as a mutual fund under the Mutual Funds Act and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Act ("**Beneficial Ownership Regime**"). The Company is required to confirm its out-of-scope status to the relevant Cayman authority and failure to do so may result in an administrative fine payable by the Company. The Company may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. Neither the beneficial ownership registers nor any information provided is publicly available.

DATA PROTECTION

For the purposes of the Data Protection Act, 2017 of the Cayman Islands, as amended from time to time ("**Data Protection Act**"), the data controller in respect of any personal data provided in respect of Shareholders and their respective representatives, directors, officers, agents or beneficial owners in respect of whom personal data is provided in relation to the Company shall be the Company. Personal data shall be processed in accordance with the Cayman Privacy Notice set out in a Schedule of the Application Form. A copy of the Cayman Privacy Notice can be obtained from the Investment Manager. The Cayman Privacy Notice sets out the purposes for

which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, Shareholders' rights in respect of such data, as well as other matters.

The Administrator, by processing personal data on behalf of the Company, acts as a data processor of the Company, as defined in the Data Protection Act. Pursuant to the Administration Agreement, the Administrator, as a data processor, is permitted to do the following on behalf of the Company, including but not limited to, processing personal data (as defined in the Data Protection Act and the Administration Agreement) in order to provide services under the Administration Agreement and to carry out anti- money laundering checks and related actions; disclosing or transferring the personal data to certain third parties, including, but not limited to, its affiliates, employees, agents and delegates for the provision of its services; and reporting regulatory related information (which could include tax information) to competent bodies or authorities.

The Administrator, as a data processor of the Company, shall, among others, only act on and process such personal data in accordance with the documented instructions of the Company, unless otherwise prevented or required by applicable laws; ensure that all persons who have access to personal data have committed themselves to appropriate obligations of confidentiality; and upon termination of the Administration Agreement, the personal data shall, at the Administrator's option, be destroyed or returned to the Company, unless applicable laws prevent the return or deletion of such personal data.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Company is to seek to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets.

Investment Policy

The Company will invest mainly in equities, cooperative society shares and participation shares (participatory instruments and rights), participation certificates and warrants of companies which are domiciled in or are chiefly active in the PRC. Such investments may be made either directly or indirectly.

The actively managed Company will invest at least 70% of its total net assets in equities and other equity interests in companies which are domiciled in or are chiefly active in the PRC. The majority of net assets are invested directly or indirectly in Chinese A-Shares (further referred to as "**A-Shares**"). A-Shares are Renminbi-denominated shares of companies domiciled in mainland China; these A-Shares are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

The Company itself is not a QFI but may invest directly in A Shares using the QFI status of institutional investors which have gained such status, which may include the Investment Manager and other related entities of the Investment Manager, such as UBS AG and/or the Sub-Investment Manager (the "**QFI Holder**"). The Company may also invest in A Shares directly through Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (each a "**Stock Connect**").

Investment universe restrictions apply to the Company and are captured in the Sustainability Exclusion Policy. The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applicable to the investment universe of the Company. The Sustainability Exclusion Policy of the Investment Manager can be found here <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>.

The Company may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty.

The Company may borrow monies of an aggregate amount not exceeding 10% of the latest available Net Asset Value for the purpose of cash management only; the short selling of securities is not allowed.

Investment Restrictions

The Directors have resolved that the following investment restrictions will be applied in managing the assets of the Company:-

- (a) the Company will not invest more than 10% of the Net Asset Value in equity securities which are not quoted on a stock exchange or dealt in on another regulated market, which operates regularly and is recognised and open to the public;
- (b) the Company will not acquire more than 10% of the securities of the same nature of any one issuer; and
- (c) the Company will not invest in voting shares of any company if such investment would allow it to exercise a significant influence in the management of such company.

The Investment Manager and/or the Sub-Investment Manager shall ensure that no investment shall be purchased or made for the account of the Company if it results in breaching the above stated investment restrictions. The above investment restrictions will be monitored on an ongoing basis and not solely at the time an investment is made. Where any investment restriction is breached the Investment Manager and/or the Sub-Investment Manager will ensure that immediate corrective action is taken except where the breach is due to appreciations and depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the Investment Manager and/or the Sub-Investment Manager will have regard to the investment restrictions when considering changes in the investment portfolio of the Company.

BORROWING POLICY AND LEVERAGE POLICY

The Company is authorised to borrow cash on a temporary basis under loans and other credit facilities up to a maximum of 10% of the latest available Net Asset Value of the Company in order to pay expenses, to fund the redemption of Participating Shares, to fund acquisitions of investments in advance of proceeds being received from a preceding sale of investments or for other liquidity purposes, as may be determined by the Investment Manager and/or the Sub-Investment Manager. It is not currently intended that the Company will be leveraged.

SECURITIES LENDING AND REPURCHASE / REVERSE REPURCHASE TRANSACTIONS

The Company does not currently intend to engage in securities lending, repurchase or reverse repurchase transactions.

UNDERWRITING

The Company does not currently intend to engage in underwriting transactions.

DIVIDEND POLICY

Income and realised capital gains of the Company will not be distributed unless the Directors otherwise determine. Income and realised capital gains will be reinvested and reflected in the value of the Participating Shares.

RISK MANAGEMENT

The Investment Manager has adopted risk management procedures intended to identify, measure, manage and monitor risks in connection with the investment of the assets of the Company, including market risk, liquidity risk, issuer and counterparty and credit risk and operational risk,

taking into account the nature, scale and complexity of the business of the Investment Manager and the investment objective and strategy of the Company. Other risks may arise from time to time. There is no guarantee that such risk management procedures will be effective to mitigate the effect of such risks on the Company.

LIQUIDITY RISK MANAGEMENT POLICY

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that the Company's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the Company's assets may have a negative impact to the value of the Company and to the Company's ability to meet its investment objectives. Additionally, an inability to sell the Company's assets may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Company.

A summary of the liquidity risk management policy of the Investment Manager is set out in the Appendix to this Offering Memorandum.

RISK FACTORS

Investors should be aware that the value of their Participating Shares may fall as well as rise. Investment in the Company involves a very high degree of risk. It is possible that an investor may lose a substantial proportion or all of its investment in the Company. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Company. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Company.

Risks associated with an investment in the Company generally

Absence of regulatory oversight

Although the Company is a regulated mutual fund under the Mutual Funds Act, it is not required to be registered under the laws of any other jurisdiction. As a consequence, the securities laws of any other jurisdictions (which may provide certain regulatory safeguards to investors) generally will not apply. Accordingly Shareholders may not have the benefit of all the protections afforded to them by the securities laws of their home jurisdiction or other relevant jurisdictions.

Business and regulatory risks of investment funds

Legal, tax and regulatory changes during the term of the Company may adversely affect it. The regulatory environment for hedge funds is evolving. Changes in the regulation of hedge funds may adversely affect the value of the Company's investments. They may also adversely affect the Company's ability to obtain the leverage it might otherwise have obtained or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulating organisations and exchanges are authorised to take extraordinary actions in cases of market emergencies. The regulation of derivative transactions and funds that engage in those transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Company could be substantial and adverse.

Cross Class liability

Separate records will be established in the books of the Company for each Class for the purpose of allocating assets and liabilities of the Company to the relevant Class. However, if the liabilities attributable to a Class exceed its assets, creditors of the Company may have recourse to the assets attributable to other Classes.

Illiquidity of Participating Shares

It is not anticipated that there will be an active secondary market for the Participating Shares and it

is not expected that such a market will develop. Participating Shares are not transferable without the approval of the Directors. Consequently, Shareholders may not be able to dispose of their Participating Shares except by means of redemption. Redemptions may be suspended in certain circumstances.

No separate counsel; No independent verification

Ogier acts as legal counsel to the Company as to matters of Cayman Islands laws. Ogier does not represent investors in the Company, and no independent counsel has been retained to act on behalf of the Shareholders or any Directors. Ogier is not responsible for any acts or omissions of the Investment Manager, the Sub-Investment Manager or the Company (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Investment Manager, Sub-Investment Manager or the Company. This Offering Memorandum is based on information furnished by the Directors and the Investment Manager. Ogier has not independently verified that information.

Side letters

From time to time the Company may enter into agreements ("**Side Letters**") with certain prospective or existing holders of Participating Shares, under which those holders receive advantages not appearing in this Offering Memorandum. A Side Letter with a prospective or existing Shareholder may, for example give that Shareholder: (i) special rights to make future investments in the Company, other investment vehicles or managed accounts; (ii) special redemption rights relating to frequency, period of notice, redemption fees payable (whether in the form of a reduction or rebate) or other terms, or any combination of these; (iii) rights to receive reports from the Company on a more frequent basis or that include information not provided to other Shareholders (including, without limitation, more detailed information regarding portfolio positions); and (iv) such other rights as may be negotiated by the Company and that Shareholder.

Where the Company has granted preferential rights of redemption, the material terms relating to such preferential rights will be made available on request.

Risks associated with a pandemic or public health emergency

A pandemic or public health emergency (a "**Pandemic**") could cause significant disruption to a number of industries and the markets in which they operate. A Pandemic may cause the temporary closure of corporate offices, retail stores and manufacturing facilities, as well as local government departments and offices; the imposition of travel bans and/or quarantines; and/or the declaration of states of emergency in some countries or across the globe. A Pandemic could have a sustained adverse impact on economic and market conditions and trigger a period of continued global economic slowdown and possibly, a regional or global recession. A Pandemic may negatively affect the operations of the Investment Manager and/or the Sub-Investment Manager and the performance of the Company and such circumstances may be difficult to predict. Any one or more of these effects of a Pandemic could have an adverse effect on the markets in which the Company invests and, in turn, the Net Asset Value per Participating Share and the Company's liquidity. This could mean a Shareholder receives less than their original investment in the Company or certain restrictions are imposed on redemptions of Participating Shares (if provided for by this Offering Memorandum) to protect the investment proceeds of investors in the Company as a whole.

Risks associated with the Company's investment policy

Equity Securities Generally

The Company intends to invest in equity securities. Prices of equity securities may be highly volatile. Price movements of securities are difficult to predict and are influenced by, amongst other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and

economic events, the climate, changes in interest rates and the inherent volatility of the market place. In addition, governments from time to time may intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence price directly and may cause rapid movement in these markets. There can be no assurance that the Company or its delegates will be able to predict future price levels correctly.

PRC Market Risk

Developing Market

Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and certain risks specific to the PRC market. Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities in which the Company may invest, including A Shares.

The choice of A Shares which are currently available to the Investment Manager and/or Sub-Investment Manager may be limited as compared with the choice of shares available in other markets. There may also be a lower level of liquidity in the A Share markets, which are relatively smaller in terms of both combined total market value and the number of A Shares which are available for investment as compared with other equity markets. Lower levels of liquidity could potentially lead to severe price volatility.

The Shanghai, Shenzhen and Beijing stock exchanges are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. In addition, in the PRC, some securities transactions are not settled on a delivery versus payment basis, as a result of which the Company may have an exposure to settlement risk.

Investments in the PRC may also be sensitive to significant changes in political, social or economic policy in the PRC. Such sensitivity may adversely affect the capital growth and thus the performance of these investments. The value of Investments in the PRC may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the PRC. Furthermore, the economic conditions in the PRC, can be more fragile when compared to those of developed countries.

Risks of investing in emerging markets generally include (a) greater risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability; (b) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (c) certain national policies which may restrict investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and or trading in any activities; and (d) the absence of developed legal structures governing private or foreign investment and private property.

Regulatory Risk

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. The effects of such development on the stock markets as a whole remain to be seen.

The regulatory framework of stock markets within the PRC are still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets. Furthermore, the legal infrastructure may not provide the same degree of investor protection or information to investors compared to developed markets.

Risk associated with the Stock Connect

The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the Company's ability to invest in A Shares or access the PRC market through the programme will be adversely affected. In such event, the Company's ability to achieve its investment objective could be negatively affected.

Accounting Standards and Disclosure Risk

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared in accordance with PRC accounting standards and practice and those prepared in accordance with international accounting standards. In addition, accounting, auditing and financial reporting standards in the PRC may be less rigorous than international standards and may not provide the same degree of investor protection or information to investors compared to developed markets. As a result, certain material disclosures may not be made by some companies in which the Company invests.

Currency Control

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the Company.

QFI Risk

Under the prevailing regulations in the PRC, foreign investors may invest in the stock markets through institutions that have obtained QFI status in the PRC. The current QFI regulations impose strict restrictions on stock investments, including investment guidelines and the investment restrictions detailed below.

Part of the Company's investment in the PRC are intended to be made and held through the QFI status of UBS AG, UBS Asset Management (Singapore) Ltd. and/or UBS Asset Management (Hong Kong) Limited.

There can be no assurance that the Investment Manager will be able to meet all applications for Participating Shares, or that redemption requests can be processed in a timely manner if there are adverse changes in relevant laws or regulations, including changes in QFI repatriation restrictions. Such changes may result in a suspension of dealings in the Company (further details can be found in the section below headed "Valuation and Prices - Suspension of Calculation of the Net Asset Value").

The Company may incur significant losses due to limited investment opportunities, or may not be able to fully implement or pursue its stated investment objective or strategy, due to QFI investment restrictions, illiquidity of the stock markets and/or delays or disruptions in execution or settlement of trades.

Rules and restrictions exist under current QFI regulations, including with respect to investment restrictions.

Investors should note that generally direct investments in stock markets in China through QFIs are subject to compliance with the following investment restrictions currently imposed under QFI regulations in the PRC, which may be subject to change from time to time:

- (a) the shares held by a foreign investor investing through such programs as QFI/Stock Connect in a listed company may not exceed 10% of the total shares of such company;
- (b) the aggregate shareholding of all qualified foreign investors and other foreign investors

must not exceed 30% of the total shares of an exchange-listed or a National Equities Exchange and Quotations-admitted company; and

- (c) the investments must comply with the requirements as set out in the Guidance Catalogue on Industries for Foreign Investment.

The aforementioned investment restrictions may affect the Company's ability to invest in stock markets in China.

The QFI Holder will select brokers ("**PRC Brokers**") to execute transactions on the Company's behalf in the PRC markets. The Company may incur losses due to the acts or omissions of PRC Brokers or of PRC custodians in the execution or settlement of transactions or in the transfer of monies or securities. The Company may have difficulty in obtaining best execution of transactions in QFI permissible securities subject to restriction/limitations under applicable QFI regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Investment Manager as QFI may appoint. If a PRC Broker offers the Company standards of execution which the Investment Manager reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager may determine that they should consistently execute transactions with that PRC Broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the Company in respect of the difference between the price at which the Company executes transactions and any other price that may have been available in the market at that relevant time.

QFI Regulations

The QFI regulations which regulate investments by QFIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the QFI regulations are therefore relatively untested and there is uncertainty as to how they will be applied. The China Securities Regulatory Commission ("**CSRC**") and the PRC State Administration of Foreign Exchange ("**SAFE**") have been given wide discretions in the QFI regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the QFI regulations may be subject to further revisions in the future, there is no assurance whether such revisions will prejudice the QFI, or whether rules governing the QFI status of the Investment Manager may be revised substantially or entirely.

There are rules and restrictions under current QFI regulations including rules on investment restrictions. Transaction sizes for QFIs are large and there can be lock-up restrictions on repatriation of principal invested by a QFI in the PRC due to foreign exchange control and other related rules and policies.

Custody

The Custodian acts as the depositary of the Company and holds the assets. The Company and the Custodian will appoint a sub-custodian for the Company (the "**PRC Sub-Custodian**"), where the PRC Sub-Custodian will hold the assets of the Company invested in the PRC through the QFI registration of the Investment Manager or the Sub-Investment Manager .

Any QFI permissible securities acquired by the Company through a QFI Holder's QFI status will be maintained by the PRC Sub-Custodian in separate securities account(s) and will be registered for the sole benefit and use of the Company or the Company (on behalf of the Company) subject to applicable laws. There will be segregation of assets by the PRC Sub-Custodian such that the assets of the Company will not form part of the assets of the QFI Holder as QFI , the PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Investment Manager or Sub-Investment Manager (as QFI) could be the party entitled to the securities in such securities account(s) (albeit that this entitlement does not constitute an ownership interest or preclude the QFI Holder purchasing the securities on behalf of the Company), such securities may be vulnerable to a claim by a liquidator of the QFI Holder and may not be as well protected as if they were registered solely in the name of the Company. In particular, there is a risk that creditors of the QFI Holder may incorrectly assume that the Company's assets

belong to QFI Holder and such creditors may seek to gain control of the Company's assets to meet QFI Holder's liabilities owed to such creditors.

Investors should note that cash deposited in the cash account of the Company with the PRC Sub-Custodian may not be segregated but may be deemed as a debt owing from the PRC Sub-Custodian to the Company as a depositor. Such cash may be co-mingled with cash belonging to other clients of the PRC Sub-Custodian. In the event of bankruptcy or liquidation of the PRC Sub-Custodian, the Company may not have any proprietary rights to the cash deposited in such cash account, and the Company may become an unsecured creditor, ranking *pari passu* with all other unsecured creditors of the PRC Sub-Custodian. The Company may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Company will suffer losses.

Similarly, cash held or received for the Company by or on behalf of the Custodian (including a sub-custodian other than the PRC Sub-Custodian) or prime broker may not normally be treated as client money and may not be subject to the client money protections under applicable laws. Accordingly the Company's cash may not be segregated from the cash of the relevant custodian or prime broker. As a consequence such cash may be used by the relevant custodian or prime broker in the course of its business and the Company may rank as a general creditor of the relevant custodian or prime broker in the event of the relevant custodian or prime broker's insolvency. This may also result in an adverse effect on the net asset value of the Company.

Further custodians or sub-custodians (including the PRC Sub-Custodian) may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the Company invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Company may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Company may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Company may even be unable to recover all of its assets. The costs borne by Company in investing and holding investments in such markets will be generally higher than in fully developed securities markets.

Disclosure of Interests and Short Swing Profit Rule

Under the PRC disclosure of interest requirements, the Company may be deemed to be acting in concert with other funds or the Company managed within the Investment Manager's group or a substantial shareholder of the Investment Manager's group and therefore may be subject to the risk that the Company's holdings may have to be reported in aggregate with the holdings of such other funds mentioned above should the aggregate holdings trigger the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the Company's holdings to the public with an adverse impact on the performance of the Company.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the Company's investments with the result that where the holdings of the Company (possibly with the holdings of other investors deemed as concert parties of the Company) exceed 5% of the total issued shares or other securities with the nature of equity of a PRC listed company or of a company whose shares are traded on a nationwide securities exchange approved by the State Council, the Company may not reduce its holdings in such company within six months of the last purchase of shares or other securities with the nature of equity of such company. If the Company violates the rule and sells any of its holdings in such company in the six month period, it may be required by such company to return any profits realised from such trading to such company. Moreover, under PRC civil procedures, the Company's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the Company.

Stock Connect Risks

The Company may invest and have direct access to certain eligible A Shares via the

Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (together the "**Stock Connects**"). The Stock Connects are securities trading and clearing linked programs developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), Shanghai Stock Exchange ("**SSE**"), Shenzhen Stock Exchange (the "**SZSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between the PRC and Hong Kong.

The Stock Connects comprise a Northbound Trading Link (for investment in A Shares) by which investors, through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), may be able to place orders to trade eligible shares listed on the SSE and the SZSE by routing orders to the SSE or the SZSE.

Under the Stock Connects, overseas investors (including the Company) may be allowed, subject to rules and regulations issued/amended from time to time, to trade certain A Shares listed on the SSE (the "**SSE Securities**") and certain A Shares listed on the SZSE ("**SZSE Securities**") through the Northbound Trading Link.

The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index and all the SSE-listed A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on SEHK, except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the "risk alert board".

The SZSE Securities include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A Shares which have corresponding H Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert" or under delisting arrangement.

The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Quota limitations

The Stock Connects are subject to quota limitations on investment, which may restrict the Company's ability to invest in A Shares through the Stock Connects on a timely basis and the Company may not be able to effectively pursue its investment policy.

Suspension

SEHK, SSE and SZSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would affect the Company's ability to access the PRC markets via Stock Connects.

Differences in trading day

The Stock Connects operate on days when both the PRC and Hong Kong markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC markets but overseas investors (such as the Company) cannot carry out any A Shares trading. The Company may be subject to a risk of price fluctuations in A Shares during the time when the Stock Connects are not trading as a result.

Clearing, settlement and custody

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx (the "**HKSCC**") and ChinaClear establish the clearing links and each is a participant of each other to

facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Company may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The A Shares traded through the Stock Connects are issued in scripless form, so investors such as the Company will not hold any physical A Shares. Hong Kong and overseas investors, such as the Company, who have acquired SSE Securities and/or SZSE Securities through Northbound Trading should maintain the SSE Securities and/or SZSE Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK.

Nominee arrangements in holding A Shares

HKSCC is the nominee holder of the SSE securities and SZSE securities acquired by overseas investors (including the Company) through the Stock Connects. The current Stock Connects rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE securities/SZSE securities and that it has a direct interest in the matter, Investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that the Company will not encounter difficulties or delays in terms of enforcing its rights in relation to A Shares acquired through the Stock Connects. However, regardless of whether a beneficial owner of SSE securities under Shanghai-Hong Kong Stock Connect or SZSE securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE securities and SZSE securities where necessary.

Investor compensation

Investment through the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. For defaults occurring on or after 1 January 2020, Hong Kong's Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE or the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the Northbound Trading Link of a Stock Connect arrangement. On the other hand, since the Company is carrying out northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund in the PRC.

Operations

The Stock Connects provide a new channel for investors from Hong Kong and overseas, such as the Company, to access the PRC stock markets directly.

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the three markets differ

significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connects program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in the relevant markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Company's ability to access the A Share market (and hence to pursue their investment strategy) will be adversely affected.

Trading costs

In addition to paying trading fees and stamp duties in connection with A Share trading, the Company may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Regulations

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies.

The Stock Connects are novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connects will not be abolished. The Company may be affected as a result of such changes.

Stock Connect Tax

Pursuant to Caishui [2014] No. 81 ("**Notice 81**") and Caishui [2016] No. 127 ("**Notice 127**"), foreign investors investing in A Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange through the Stock Connects would be temporarily exempted from PRC corporate income tax and business tax on the gains on disposal of such A Shares. Dividends would be subject to PRC corporate income tax on a withholding basis at 10%, unless reduced under a double tax treaty with PRC upon application to and obtaining approval from the competent PRC tax authority.

It is noted that Notice 81 and Notice 127 state that the corporate income tax exemptions effective from 17 November 2014 and 5 November 2016 respectively are temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the Company may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value of the Company.

PRC Tax Risk

Tax considerations for A Shares and other securities

By investing in A Shares and/or other QFI permissible securities, the Company may be subject to withholding and other taxes imposed in the PRC. The tax laws, regulations and practice in the PRC are subject to change, and may be amended with retrospective effect.

The value of the Company's investments through QFI (and hence the Net Asset Value per

Participating Share) will be affected by taxation levied against the Company.

On 14 November 2014, the Ministry of Finance (“**MOF**”), the State Taxation Administration (“**STA**”) and the CSRC of the PRC jointly released Caishui [2014] No.79 (“**Circular 79**”) to address the tax issues in relation to capital gains from equity investments derived by QFIs. Under Circular 79, for QFIs without an establishment or place of business (“**PE**”) in the PRC (or having a PE but the income so derived in the PRC is not effectively connected with such PE), such gains will be temporarily exempt from tax if they are realized on or after 17 November 2014, and subject to tax in accordance with the applicable law if they are realized before 17 November 2014.

Circular 79 did not provide further guidance on whether the temporary exemption applies to securities other than A Shares. This being the case, the taxation on gain derived from the trading of PRC non-equity investment assets may be based on the provisions in the PRC tax laws regarding analogous investments. For an enterprise that is not a PRC tax resident and has no PE in the PRC, a 10% PRC withholding income tax (“**WIT**”) shall apply to PRC sourced capital gains arising from investment in PRC securities other than A Shares, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. The PRC tax authorities have verbally indicated, on numerous occasions, that gain on disposal of PRC debt securities is non-PRC sourced income and hence not subject to PRC WIT. However, there is no specific written tax regulation to confirm the same. In practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realized from the disposal of PRC debt securities.

At the request of and based on the clarifications made by PRC tax authorities, the necessary QFI tax filing has been made by the QFI holder and accordingly, the Company has settled capital gains tax on its A Share investment with the QFI. Based on the outcome of the settlement and opinions received from external tax advisor, the Board of Directors has decided to not provide for any PRC WIT in respect of realized and unrealized capital gains derived from the trading of A Shares and PRC debt securities.

Upon any further changes to tax law or policies, the Investment Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of the Company.

If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value may suffer more than the tax provision amount as the Company will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by the Investment Manager so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the Company.

Market Risk

The investments of the Company are subject to normal market fluctuations and the risks inherent in equity securities and similar instruments and there can be no assurances that appreciation will occur. The price of shares can go down as well as up and investors may not realise their initial investment. Although the Investment Manager will attempt to restrict the exposure of the Company to market movements, there is no guarantee that this strategy will be successful.

The disrupted state of the financial markets and the material uncertainty as to how and when such disruptions will be resolved, including the uncertain effects of the ongoing government intervention into such markets, could adversely impact the price, volatility and liquidity of equities significantly.

Concentration Risk

The Company is highly specialised. Although the Company's portfolio may be well diversified in terms of the number of holdings, investors should be aware that the Company is likely to be

more volatile than a broad-based fund, such as a global equity fund, as it will be more susceptible to fluctuations in value resulting from adverse conditions in the PRC.

Economic Conditions

Changes in other economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the returns of the investments of the Company. None of these conditions will be within the control of the Company or the Investment Manager. Unexpected volatility or liquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company or the Investment Manager to manage the investment and reinvestment of the assets of the Company and could expose the investments of the Company to losses.

Connected Party Risk

The Company may invest in A Shares through the QFI status of UBS AG. Although UBS AG is a holding company of the UBS group, each entity will operate independently in assuming its respective duties and obligations in relation to the Company and is subject to the supervision of its relevant regulators. All transactions and dealings between such entities in relation to the Company will be dealt with on an arm's length basis having regard to the constitutive documents of the Company as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Company will seek to ensure that the Company is managed in the best interest of Shareholders and that Shareholders are treated fairly.

There will be no limitation with respect to the Investment Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Investment Manager. Accordingly, conflicts of interest may occur. Please refer to the section headed "Conflicts of Interest" below for further information.

Liquidity

The Company invest, directly or indirectly, in unlisted as well as listed securities. Investment in listed securities, especially listed securities of small and medium-sized companies, does not guarantee liquidity of the securities and investments in unlisted securities are exposed to a higher degree of risk of illiquidity.

Non-Payment of Dividends

Income and realised capital gains of the Company will not be distributed unless the Directors otherwise determine. Income and realised capital gains will be reinvested and reflected in the Net Asset Value per Participating Share of a Class. Accordingly, an investment in the Company may not be suitable for investors seeking income or current returns for financial or tax planning purposes.

Future Regulatory Change is Impossible to Predict

The securities markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the exchanges are authorised to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of securities is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Company is impossible to predict, but could be substantial and adverse.

Contagion Risk Factor

The Company has the power to issue Participating Shares in Classes. The Articles provide for the manner in which the liabilities are to be attributed across the various classes or series (liabilities are to be attributed to the specific class or series in respect of which the liability was incurred). However, the Company is a single legal entity and there is no limited recourse protection for any Class. Accordingly, all of the assets of the Company will be available to meet all

of its liabilities regardless of the Class to which such assets or liabilities are attributable. In practice, cross-class liability is only expected to arise where liabilities referable to one Class are in excess of the assets referable to such Class and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Company attributable to other Classes may be applied to cover such liability excess and the value of the contributing Classes will be reduced as a result.

Handling of mail

Mail addressed to the Company and received at its registered office will be forwarded unopened to the forwarding address supplied by the Company or the Administrator to be dealt with. None of the Company, its directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Company).

ISSUE AND REDEMPTION OF PARTICIPATING SHARES

Classes of Participating Shares

Subject to the Articles, the Directors may allot, issue, grant options or warrants over, or otherwise dispose of Participating Shares in separate Classes with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Company, voting, fees charged (including management, performance and incentive fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as the Directors may, in their absolute discretion, determine.

As at the date of this Offering Memorandum three Classes of Participating Shares, designated as A Class Shares, J Class Shares and U Class Shares, are available for subscription. The A Class Shares and the J Class Shares have the same terms, preferences, privileges or special rights other than the currency in respect of which the Subscription Price, Redemption Price and Net Asset Value per Participating Share is calculated. The U Class Shares have the same terms, preferences, privileges or special rights as the A Class Shares save that no annual management fee is payable in respect of the U Class Shares. U Class Shares are only available for subscription by Eligible Investors who are (a) either institutional investors or funds who have signed a portfolio management contract, an advisory agreement or an agreement on investing in funds with an entity in the UBS AG Group or (b) such other persons as may otherwise be approved by the Directors in their sole discretion (each an "**U Class Eligible Investor**"). Other Classes of Participating Shares may be issued in the future.

Issues of Participating Shares

Issues of A Class Shares, J Class Shares and U Class Shares

Eligible Investors subscribing for Participating Shares of each class must send their completed Application Forms, together with any supporting documents, so as to be received before 7:00 p.m. (Hong Kong time) on the Business Day prior to the relevant Subscription Day, or such later time as the Directors or the Investment Manager on behalf of the Directors may generally or in any particular case determine. Application monies in cleared funds must be received before 7:00 p.m. (Hong Kong time) one Business Day after the relevant Subscription Day, or such later time as the Directors, or the Investment Manager on behalf of the Directors, may generally or in any particular case determine.

If the completed Application Forms, all documents required for the purposes of verifying the identity of the subscriber and source of the subscriber's funds and the application monies in cleared funds are not both received by the applicable deadlines referred to above, the application will be held over until the next following Subscription Day, unless the Directors or the Investment

Manager on behalf of the Directors, in their absolute discretion determine to accept late Application Forms and/or application monies after the expiry of the above deadlines either generally or in any particular case.

Application Forms must be sent to the Administrator's Delegate in Hong Kong (marked for the attention of the Investor Services Department) and may be sent by facsimile or electronic means (including email) as acceptable to the Administrator's Delegate (provided that if such application is an investor's first application for Participating Shares the original must follow promptly). In all other cases, where an Application Form is sent to the Administrator's Delegate by facsimile or electronic means as acceptable to the Administrator's Delegate (the "**Electronic Application**"), a signed instructions indemnity (in the form contained in Schedule 5 to the Application Form (a "**Instruction Indemnity**") must be received by the Administrator's Delegate by no later than 7:00 p.m. (Hong Kong time) on the Business Day prior to the relevant Subscription Day, failing which the application will be held over until the next following Subscription Day in respect of which such condition has been satisfied. Where such Instructions Indemnity is provided by facsimile or electronic means as acceptable to the Administrator's Delegate, the original must be provided promptly thereafter. In addition, an original signed Application Form for subsequent subscriptions is required to be couriered to the Administrator's Delegate promptly after the Electronic Application for subsequent subscription is sent, if there have been any subsequent changes to the registration details, contact details and/or bank account details from those appearing in an investor's initial Application Form. Investors should note that none of the Company, the Administrator, the Administrator's Delegate nor the Investment Manager or Sub-Investment Manager will accept any responsibility for any loss caused as a result of the illegibility or non-receipt of any Application Form or instruction sent by facsimile or electronic means (including email) or for any loss caused in respect of any action taken as a consequence of such facsimile or any electronic instruction believed in good faith to be signed by and originated from properly authorised persons. This is notwithstanding the fact that a facsimile or, if applicable, electronic transmission report produced by the originator of such transmission discloses that such transmission was sent.

The price at which Participating Shares will be issued on any particular Subscription Day will be the applicable Subscription Price per Participating Share. There is no sales charge. There is no applicable minimum initial investment amount.

Participating Shares are deemed to be issued on the relevant Subscription Day, but such issue is subject to receipt of the relevant application monies in cleared funds by or on behalf of the Company. Fractions of Participating Shares, rounded down to three decimal places, will be issued in respect of application monies representing less than a whole Participating Share and any fractional amounts remaining will be retained for the benefit of holders of the relevant Class of Participating Shares.

An application for Participating Shares will be irrevocable by an applicant for Participating Shares once a completed Application Form has been received by the Administrator's Delegate and the application confirmed upon receipt of the subscription monies in cleared funds in the Company's bank account (subject to the absolute discretion of the Company, the Investment Manager, the Sub-Investment Manager, the Administrator or the Administrator's Delegate to determine otherwise). Participating Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the Subscriber for those Participating Shares may not be entered in the register of members of the Company until after receipt of application monies in cleared funds. Consequently application monies paid by a subscriber for Participating Shares will be subject to investment risk in the Company from the date of receipt by the Company.

If the Directors have declared a Suspension of the calculation of the Net Asset Value per Participating Share of any Class, no Participating Shares of that Class will be issued until the Suspension has ended (details can be found below in the section headed "Valuation and Prices - Suspension of Calculation of the Net Asset Value").

Unless otherwise determined by the Investment Manager either generally or in any particular case, payment for Participating Shares must be made in US dollars in the case of A Class Shares and U Class Shares and in Yen in the case of J Class Shares by telegraphic transfer to the relevant

account as stated in the Application Form for Participating Shares. All application monies must originate from an account held in the name of the applicant. No third party payments will be permitted. The Directors may resolve to accept non-cash assets in satisfaction (in whole or in part) of the applicable Subscription Price.

Participating Shares will be in registered form and share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies.

The Directors or the Investment Manager on behalf of the Directors may reject any application for Participating Shares in whole or in part. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) in the currency in which such application was made, by telegraphic transfer to the originating account at the discretion of the Directors or the Investment Manager on behalf of the Directors at the expense of the applicant.

Personal information

The Application Form requires agreement from an investor that the Administrator and/or the Administrator's Delegate may process personal data relating to the investor for the purposes of providing services to the Company, performing its legal and regulatory obligations and conducting financial crime risk management and other activities, including disclosing those data to the Company and to third parties and transferring them internally.

Anti-Money Laundering

To ensure compliance with applicable statutory requirements relating to anti-money laundering and anti-terrorism initiatives, the Company or the Administrator or the Administrator's Delegate on behalf of the Company will require verification of identity, address and source of funds from all prospective investors. Depending on the circumstances of each application and any applicable anti-money laundering policies and procedures of the Administrator or the Administrator's Delegate, a detailed verification might not always be required.

As mentioned above, the Company or the Administrator or the Administrator's Delegate reserves the right to request such evidence as is necessary to verify the identity, address and source of funds of a prospective investor and certain beneficial owners. The Company or the Administrator or the Administrator's Delegate also reserves the right to request such verification evidence in respect of a transferee of the Company's interests. If the prospective investor or transferee fails to produce, or delays in producing, any evidence required for verification purposes, the Company or the Administrator or the Administrator's Delegate on behalf of the Company, may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription) any funds received will be returned without interest to the account from which such funds were originally debited. The Company or the Administrator or the Administrator's Delegate reserves the right to request such verification evidence with respect to a redemption request. The Company or the Administrator or the Administrator's Delegate also reserve the right to refuse to make any redemption payment or distribution to an Investor if any of the Directors or the Company or the Administrator or the Administrator's Delegate suspects or is advised that the payment of any redemption or distribution moneys to such investor may result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator or the Administrator's Delegate with any such laws or regulations in any relevant jurisdiction. Under no circumstances will payment be made to any party other than the investor.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial

Reporting Authority of the Cayman Islands ("**FRA**") or a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands), if the disclosure relates to criminal conduct or money laundering; or (ii) the FRA or a police constable or a nominated officer, pursuant to the Terrorism Act (Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing, subscribers consent to the disclosure by the Company or the Administrator or the Administrator's Delegate of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

Each subscriber will be required to make such representations as may be required by the Company in connection with anti-money laundering programmes. Further, by subscribing, each subscriber represents that such subscriber is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website or on the sanctions lists adopted by the United Nations, the European Union or the United Kingdom to such extent such sanctions are extended by the UK Government to the Cayman Islands by virtue of Order in Council passed by the UK Government, as such lists may be amended from time to time ("**Sanctions Lists**"), that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes or on any Sanctions List and is not operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, the European Union or the United Kingdom apply or otherwise subject to such sanction. Each Subscriber will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, Cayman Islands or other international laws and regulations, including anti-money laundering laws and regulations.

None of the Company, the Directors, the Investment Manager, the Administrator or the Administrator's Delegate, their respective delegates, agents and affiliates will be liable for any loss suffered by a subscriber arising as a result of a refusal of, or a delay in processing, a subscription application if such information and documentation as has been requested by the Company or the Administrator or the Administrator's Delegate on behalf of the Company, has not been provided by the subscriber in a timely manner.

Eligible Investors

Each investor must represent and warrant to the Company that, among other things, he is able to acquire Participating Shares without violating applicable laws. The Company will not knowingly offer or sell Participating Shares to any investor to whom such offer or sale would be unlawful.

Redemptions of Participating Shares

Subject as provided below, Participating Shares may be redeemed on any Redemption Day at the request of Shareholders. Each redemption request must be in writing and must state the number or aggregate redemption value, and the Class of the Participating Shares to be redeemed and give payment instructions for the redemption proceeds. The Administrator's Delegate will not pay the redemption proceeds until such time as it has received the redemption request duly completed and signed by the Shareholder (or, in the case of joint Shareholders, each of them) along with all outstanding identification documents and such other documentation as may be requested by the Administrator's Delegate. Where a redemption request is sent to the Administrator's Delegate by facsimile or electronic means as acceptable to the Administrator's Delegate (the "**Electronic Redemption Request**"), a redemption payment will only be made upon the receipt of an original Instructions Indemnity by the Administrator's Delegate. In addition, an original signed redemption request must be couriered to the Administrator's Delegate promptly after the Electronic Redemption Request is sent, if there have been any subsequent changes to the registration details, contact details and/or bank account details from those appearing in an investor's initial Application Form. Shareholders should be aware that if they choose to send redemption requests

by facsimile or electronic means (including email) as acceptable to the Administrator's Delegate, they bear their own risk of such requests not being received. None of the Company, the Administrator, the Administrator's Delegate nor the Investment Manager or Sub-Investment Manager will accept any responsibility for any loss caused as a result of the illegibility or non-receipt of any redemption request sent by facsimile or electronic means (including email) or for any loss caused in respect of any action taken as a consequence of instructions believed in good faith to be signed by and originated from properly authorised persons.

In order for a redemption request to take effect on a particular Redemption Day, the redemption request must be received by the Administrator's Delegate in Hong Kong (marked for the attention of the Investor Services Department) by no later than 7:00 p.m. (Hong Kong time) on the Business Day prior to such Redemption Day or such later time as the Investment Manager may generally or in any particular case determine (the "**Redemption Deadline**"). Redemption requests received after the Redemption Deadline will be held over until the next following Redemption Day, unless the Investment Manager in its absolute discretion determines to accept late redemption requests after the Redemption Deadline either generally or in any particular case. A Shareholder redeeming Participating Shares will be paid an amount equal to the applicable Redemption Price per Participating Share.

A Shareholder whose holding of Participating Shares comprises Participating Shares issued at different times will be deemed to have requested that those Participating Shares issued to such Shareholder earlier in time be redeemed prior to Participating Shares issued later in time.

Redemption proceeds will be paid in US dollars in respect of redemptions of A Class Shares and U Class Shares and in Yen in respect of redemptions of J Class Shares by telegraphic transfer at the cost and risk of the redeeming Shareholder to the bank account specified by him. Payment will, subject as mentioned above in the section headed "Anti-Money Laundering" and below in the section headed "Valuation and Prices - Suspension of Calculation of the Net Asset Value", be made as soon as practicable and in any event within 30 days (within 3 days under normal conditions) after the relevant Redemption Day or (if later) after the Administrator's Delegate receives the redemption request, duly completed and signed by the Shareholder (or, in the case of joint Shareholders, each of them) along with all outstanding identification documents and such other documentation as may be requested by the Administrator's Delegate. No redemption proceeds will be paid to third parties. The signature on the relevant payment instruction will require verification to the satisfaction of the Administrator's Delegate before payment will be made.

On a redemption of any Participating Share the Directors may divide in specie the whole or any part of the assets of the Company and appropriate such assets in satisfaction or part satisfaction of the applicable Redemption Price and any other sums payable on redemption.

A Shareholder may not withdraw a redemption request once submitted to the Administrator's Delegate unless (a) the Directors shall have postponed or suspended (i) the calculation of the Net Asset Value per Participating Share of the relevant Class or (ii) the redemption (in whole or in part) of Participating Shares of the relevant Class or (b) the Directors determine (in their sole discretion) to permit the withdrawal of such redemption request (which they may do in whole or in part). If a Suspension of the calculation of the Net Asset Value per Participating Share of the relevant Class has been declared by the Directors, the right of a Shareholder to have its Participating Shares of such Class redeemed will be suspended and during the period of Suspension the Shareholder may withdraw its redemption request. Any withdrawal of the redemption request must be made in writing and will only be effective if actually received by the Administrator's Delegate before the termination of the period of Suspension. If the redemption request is not withdrawn, any Participating Shares the redemption of which has been suspended will be redeemed once the Suspension has ended at the Redemption Price for Participating Shares of the relevant Class calculated on the next Redemption Day following the end of the Suspension.

Instructions generally

By subscribing for Participating Shares, each subscriber requests and authorizes the Company, the Administrator, the Administrator's Delegate, the Investment Manager and the Sub-Investment

Manager to act upon instructions sent by facsimile or electronic means (including email) and to rely conclusively upon any fax instructions or any electronic instructions or other instruments believed in good faith to have originated from properly authorized persons. In consideration of doing so, each subscriber fully indemnifies the Company, the Administrator, the Administrator's Delegate, the Investment Manager and the Sub-Investment Manager against any loss, cost or expense which they may incur, directly or indirectly, as a result of any of them acting or failing to act, in their discretion, upon instructions sent by facsimile or electronic means (including email) believed in good faith to have originated from properly authorized persons or from the non-receipt or illegibility of instructions faxed or sent by any other electronic means by the subscriber and each subscriber agrees that this authorization remains in force until the Company, the Administrator, the Administrator's Delegate, the Investment Manager or the Sub-Investment Manager, as applicable, receives a written termination notice and that notice shall be without prejudice to the completion of transactions already initiated.

MANAGEMENT AND ADMINISTRATION

Directors

The Directors are:

Kevin Solomon – Kevin is an independent director of the Company. He also serves as an independent director on a wide range of alternative investment funds, including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles and related structures. Kevin has over 20 years' experience in the alternative investment industry, 15 of which were dedicated to regulatory compliance and fund governance. Kevin was formerly the Managing Director at MadisonGrey Fund Services (Cayman) Ltd. ("**MadisonGrey**") in the Cayman Islands from 2006 to 2011. Kevin launched MadisonGrey and was responsible for overseeing the day-to-day operations, regulatory compliance, risk management and strategic planning. Kevin began his professional career in 1997 with CIMA and had significant involvement with the development of investment funds regulation in the Cayman Islands. He launched the onsite examination programme and was instrumental in the introduction of the Securities Investment Business Law (now the Securities Investment Business Act) in the Cayman Islands. He was also responsible for managing the day-to-day operations of the division and leading the teams responsible for regulation and oversight of the activities of investment funds and licenced entities operating in and from the Cayman Islands. Kevin graduated from the University of Central Florida and holds a Bachelor of Science degree in Accounting. He is a Certified Anti-Money Laundering Specialist, an Associate of the UK Securities Institute and he has completed both the Canadian Securities Course and the Conduct and Practices Course. Kevin also holds the Accredited Director designation from the Chartered Governance Institute of Canada and is a member of the Cayman Islands Directors Association.

Tammy Jennissen – Tammy serves as an independent director on a wide range of alternative investment funds including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles and related structures. Tammy has extensive experience as a professional independent director having served on a wide variety of investment vehicles with various strategies including direct lending, high frequency trading, global macro, credit, equity long-short, fixed income, real estate, private equity funds, commodity, sustainability focused and fund of hedge funds. She has over a decade of experience in providing independent director services and more than 20 years in the financial services industry. Tammy has spoken on industry panels and authored articles about corporate governance in the alternative investment industry. Prior to returning to the Maples Group in 2009, Tammy was employed with Sun Capital Partners in Florida as an Assistant Controller from 2008 to 2009 with responsibility for the oversight of day to day accounting, financial statement preparation, audit process and a team of accountants for the various hedge funds operated by Sun Capital Partners. In 2007 Tammy commenced her career as an independent director with the Maples Group in the Cayman Islands, where she served as an independent director on a diverse portfolio of alternative investment funds. Prior to that, Tammy was a Vice President with Goldman Sachs (Cayman) Trust Ltd. from 2002 to 2006 where she was responsible for the day to day fund administration of hedge funds which invested in a broad spectrum of equities, fixed income securities, derivative instruments, bank debt and private equity transactions. Tammy began her career in 1996 with Deloitte and Touche in Canada and

transferred to the Cayman Islands office in 2000. Tammy graduated from the University of Alberta and holds a Bachelor of Commerce and a Bachelor of Science degree. She is a Chartered Professional Accountant / Chartered Accountant and member of the Chartered Professional Accountants of Canada, the Chartered Professional Accountants of Alberta and the Cayman Islands Institute of Professional Accountants. Tammy also holds the Accredited Director designation from the Chartered Governance Institute of Canada. She is a member of the Cayman Islands Directors Association, the Past Co-Chair of 100 Women in Finance, Cayman Chapter ("100WF"), as well as a member of 100WF's Peer Engagement Committee.

Suet Ting Wong (Sherry) – Sherry is an independent Director of the Company and is based in Singapore. She was Head of Products, APAC at UBS Asset Management from 2015 to 2021, responsible for the design and management of UBS Asset Management's product suite, as well as executing product strategy in the APAC region. Her responsibilities also include providing product communication to all relevant functions and promoting regional connectivity on global and regional product initiatives. Sherry expanded her role as the Head of Asset Management business for Singapore and South East Asia in 2018 and was a Board of Director of the Singapore Asset Management entity from 2018 to 2021.

Prior to UBS, Sherry headed up regional product development and management teams in Legg Mason and Eastspring Investments in Singapore. Before that, she had regional product responsibilities at Fidelity and Jardine Fleming in Hong Kong. She has experience in the formation, structuring and the product life cycle of investment funds in international domiciles such as Cayman Islands, Ireland and Luxembourg, as well as various Asian jurisdictions including Australia, China, Hong Kong, Japan, Korea, Singapore and Taiwan.

Sherry obtained a Bachelor of Commerce Degree from the University of Western Australia in 1997. She is a CFA charter holder and received the Sustainable Finance certificate from the University of Cambridge in May 2021. Sherry is registered as a Director with the Cayman Islands Monetary Authority pursuant to the Directors Registration and Licensing Act (as amended from time to time).

Maples Fiduciary Services (Cayman) Limited and provision of two Directors

The services of Kevin Solomon and Tammy Jennissen are being provided by MFS regulated entity in the Cayman Islands.

MFS (under its previous name, Maples Finance (Cayman) Limited) has entered into the Maples Agreement for the Provision of Directors with the Company which sets out the terms on which it will provide the services of Mr Solomon and Ms Jennissen.

MFS is entitled to remuneration from the Company at its customary rates and for reimbursement of its out-of-pocket expenses, including all travelling, hotel and other expenses properly incurred by the Directors supplied by MFS in attending meetings of the Directors or any shareholders meeting held in connection with the business of the Company.

The Directors provided by MFS are non-executive Directors of the Company and are not required to devote their full time and attention to the business of the Company. They may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity. Neither MFS nor any of the Directors supplied by MFS are responsible for (i) the commercial structuring of the Company or its investment strategy, (ii) the purchase or sale of any investment on behalf of the Company (which is the responsibility solely of the Investment Manager), (iii) the valuation of the assets of the Company, or (iv) any loss or damage caused by the acts or omissions of the Investment Manager, the Administrator, other service providers as relevant or any of their delegates or sub-delegates unless any such loss or damage is actually occasioned by the actual fraud, wilful default or Gross Negligence (as defined in the Maples Agreement for the Provision of Directors) of the Directors supplied by MFS.

The Articles provide that every Director and officer of the Company shall be indemnified out of the assets of the Company against any liability incurred as a result of any act or failure to act in carrying out his or her functions other than such liability (if any) that may be incurred by reason of the actual

fraud or wilful default of such Director or officer. The Articles also provide that no such Director or officer shall be liable to the Company for any loss or damage in carrying out his or her functions unless that liability arises through the actual fraud or wilful default of such Director or officer.

The Maples Agreement for the Provision of Directors provides that none of MFS or any of the Directors provided by MFL shall be liable to the Company under or in connection with the Maples Agreement for the Provision of Directors except in circumstances where such liability was caused by the actual fraud or wilful default of MFS or, as the case may be, any of the Directors provided by MFL.

Directors' Functions

Whilst the Directors are responsible for the overall management and control of the Company, they have delegated all day-to-day activities to service providers described herein. The Directors will review the operations of the Company at meetings held at least annually. For this purpose, the Directors will receive periodic reports from the Investment Manager detailing the performance of the Company and providing an analysis of its investment portfolio. The Investment Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The address of each of the Directors for the purposes of this Offering Memorandum is the registered office of the Company as set out in the Directory.

Investment Manager

UBS Asset Management (Hong Kong) Limited has been appointed by the Company as its investment manager under the terms of the Investment Management Agreement.

The Investment Manager was incorporated with limited liability in Hong Kong on 9 April 1992. It is licensed by the Securities and Futures Commission of Hong Kong to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities with CE number AGP568.

The Investment Manager shall, and shall procure that the Sub-Investment Manager shall, assist the Company in the selection, appointment and ongoing monitoring of the Auditor and other Service Providers (other than the Investment Manager).

The Investment Manager's licence is subject to the condition that the Investment Manager shall not hold client assets. The terms "hold" and "client assets" are as defined under the Ordinance.

The directors of the Investment Manager are Adolfo Oliete Galiano, Mary Ann Yarisantos, Akiko Yagi (nee Ueno) and James Alexander Benady. The biographies of Mr. Oliete Galiano, Ms. Yarisantos, Mrs. Yagi and Mr. Benady are set out below.

Adolfo Oliete Galiano - Adolfo is the Head of Asia Pacific Investments for UBS Hedge Fund Solutions. He is primarily responsible for spearheading investment research in the region. He is a member of the UBS Asset Management APAC Committee and the Management Committee. Adolfo leads research on markets, hedge fund investment due diligence and co-investments in Asia. He has a senior management role in Asia and represents the region in portfolio management meetings.

Adolfo joined UBS Asset Management's A&Q investment team in London in 2012. Prior to joining UBS in 2012, he spent one year as a hedge fund consultant at Casteel Capital (2011-2012). Before that, Adolfo worked at Highbridge Capital Management in New York and London where he was a Senior Vice President (1997-2009). During his last six years at Highbridge, he traded European convertible bonds and helped manage the European convertible bond arbitrage portfolio.

Adolfo has over 22 years of investment industry experience and holds a BBA from the University of

Massachusetts at Amherst in the United States.

Mary Ann Yarisantos - Since June 2016, Mary Ann has been the Regional Head of Risk Control of UBS Asset Management, Asia Pacific, based in Hong Kong. In June 2018, she also became the Global Head of UBS Asset Management Counterparty Risk Control. Mary Ann is the primary point of contact and responsible for risk oversight for all Asia Pacific UBS Asset Management Risk Control activities. She is a member of the UBS Asset Management Global Risk Management Committee and the APAC Risk Executive Committee.

Prior to her current role, Mary Ann had a short stint as Head of Credit and Operational Risk, Hong Kong for the National Bank of Abu Dhabi with responsibility for the risk management of the entire credit portfolio and oversight of the operational risk of the Hong Kong Branch. Prior to that role, she was the Head of Credit Risk, North Asia for UBS Investment Bank based in Hong Kong and also held various credit risk roles that covered monitoring, approval and review of UBS Investment Bank's counterparties and borrowers in Emerging Markets Asia. Mary Ann was with UBS Investment Bank for about 15 years and was a member of the APAC Risk Management Committee. Prior to joining UBS Investment Bank, she also held positions in Credit Risk Management with Chase Manhattan NA, ING Bank and Mellon Bank, all based in Hong Kong.

Mary Ann graduated with a Bachelor of Science in Management Engineering from the Ateneo de Manila University in The Philippines.

Akiko Yagi (nee Ueno) - Akiko is the Regional Head of Hedge Fund Specialists, APAC within UBS Asset Management's Hedge Fund Solutions Team. Akiko is primarily responsible for providing hedge fund product content and covering client portfolios in the region. Previously, she was responsible for manager research, with a focus on Japan and the Asia Pacific region as a Senior Investment Officer. Prior to joining UBS Hedge Fund Solutions in 2005, Akiko was a Senior Product Specialist with the predecessor business to A&Q where she was primarily responsible for business development and client servicing in Japan and Korea (2001–2005). Previously, Akiko spent over three years at Bear Stearns as an alternative asset management product specialist, where she was involved in marketing and structuring all hedge fund products in Japan (1998-2001). She began her career as a Certified Public Accountant for Deloitte & Touche Tohmatsu in San Francisco and Hong Kong (1995-1997). Akiko has over 25 years of investment industry experience and holds a Bachelor of Science (Hons) from the University of Toronto in Canada.

James Alexander Benady – James is the APAC Regional Operating Officer for UBS Asset Management. James has a solid background in compliance, operational risk control and investments business management in the financial industry spanning nearly 22 years. James has been with the Investment Manager since 2014, most recently as the APAC Investments Business Manager where he was instrumental in supporting the strategic growth agenda for the Investments area. Previously, he held roles in Business Risk and C&ORC. Prior to joining UBS, James spent 15 years working in operational and business risk roles for Morgan Stanley, ABN AMRO and BNP Paribas in London, New York and Abu Dhabi. James holds a BA (Hons) in Business Economics from the University of Exeter in the United Kingdom.

The Investment Manager will provide investment management services to the Company in accordance with the investment objective and policies and subject to the investment restrictions described in this Offering Memorandum.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to be indemnified by the Company against actions, costs, claims, damages, expenses or demands to which it may be put as a result of the Investment Manager's performance of its obligations under the Investment Management Agreement, save in respect of any actions, costs, claims, damages, expenses or demands which result from any act or omission occasioned by the wilful default, fraud or negligence of the Investment Manager.

The appointment of the Investment Manager may be terminated by the Company or the Investment Manager giving to the other not less than 90 days' written notice. The Investment

Management Agreement may also be terminated in certain other circumstances described therein. The Investment Management Agreement is governed by Cayman Islands law.

For the purposes of this Offering Memorandum, the address of the directors of the Investment Manager is the address of the Investment Manager, as set out in the Directory.

Sub-Investment Manager

UBS Asset Management (Singapore) Ltd. has been appointed by the Investment Manager as a sub-investment manager of the Company under the terms of the Sub-Investment Management Agreement. The Sub-Investment Manager will provide investment management services to the Investment Manager upon request in accordance with the investment objective and policies and subject to the investment restrictions described in this Offering Memorandum.

The Sub-Investment Management Agreement may be terminated by the Investment Manager giving to the other not less than 30 days' written notice. The Sub-Investment Management Agreement may also be terminated in certain other circumstances described therein.

Administrator and Administrator's Delegate

HSBC Trustee (Cayman) Limited has been appointed by the Company as its administrator.

The Administrator was incorporated as an exempted company in the Cayman Islands on 10 November 1981. It is licensed as an unrestricted trust company under the Banks and Trust Companies Act (Revised) of the Cayman Islands, as well as being licensed as a mutual fund administrator under the Mutual Funds Act.

The Administrator will be responsible for the general administration of the Company which includes keeping the register of members, arranging for the issue and redemption of Participating Shares, the calculation of the Net Asset Value and fees and administration of uninvested cash.

The Administrator will be entitled to be indemnified by the Company against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties.

In calculating the Net Asset Value the Administrator may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, the Investment Manager, and any administrator or valuation agent of other collective investments into which the Company may invest. If and to the extent that the Investment Manager is responsible for or otherwise involved in the pricing of any of the Company's assets, the Administrator may accept, use and rely on such prices, without verification, in determining the Net Asset Value and will not be liable to the Company, any Shareholder or any other person in doing so.

The Administrator is not responsible for any failure by the Company or the Investment Manager to adhere to the Company's investment objective and policies, investment restrictions, borrowing policy or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by the Office of Foreign Assets Control of the US Department of the Treasury.

The Administrator is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. The HSBC Group is one of the largest banking and financial services organisations in the world with well-established businesses in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

The appointment of the Administrator may be terminated by not less than 90 days' notice in writing.

The Administrator has delegated certain of its administrative duties to HSBC Institutional Trust Services (Asia) Limited as Administrator's Delegate apart from the keeping of the register of members which will be maintained in the Cayman Islands by the Administrator.

Neither the Administrator nor any of its delegates, employees or agents are or will be directly involved in the business affairs, organisation, sponsorship or investment management of the Company; nor responsible for the preparation or issue of this Offering Memorandum other than the description above.

Custodian

HSBC Institutional Trust Services (Asia) Limited has been appointed as the custodian of the investments and uninvested cash of the Company outside of the PRC, which will be held either directly by the Custodian or through its sub-custodians, nominees, agents or delegates.

The Company may from time to time place cash, securities and/or other assets with brokers, agents, custodians or intermediaries outside of the Custodian's global custodian network. In such circumstances the Custodian will not be responsible for the cash or securities placed with such brokers, agents, custodians or intermediaries as may be appointed by the Company from time to time. In addition, for the avoidance of doubt, the Custodian will not be responsible for any investments or cash of the Company held in the PRC.

The Custodian was incorporated in Hong Kong in 1974 and is registered as a trust company under Part VIII of the Trustee Ordinance (Cap. 29) in Hong Kong. The Custodian is licensed as a Trust or Company Service Provider by the Companies Registry under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) and is also approved by the Mandatory Provident Fund Schemes Authority as a trustee of registered MPF schemes pursuant to section 20 of the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

The Custodian will be entitled to be indemnified by the Company from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Custodian or any agent, sub-custodian or delegate appointed by it and for which it would be liable under the Custodian Agreement) which may be imposed on, incurred by or asserted against the Custodian in performing its obligations or duties.

In performing its duties, the Custodian may, at the expense of the Company, appoint such agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties and discretions (included in such appointment are powers of sub-delegation). The Custodian will be liable for the acts of such agents, sub-custodians and delegates as if such acts were the acts of the Custodian except in respect of certain emerging markets notified to the Company. The Custodian will not (except in circumstances provided in the Custodian Agreement) be responsible for any loss suffered by the Company by reason of liquidation, bankruptcy or insolvency of any agent, sub-custodian or delegate but will use reasonable endeavours to recover any property held by such person, and recover any losses or damages suffered by the Company as a direct consequence.

The Custodian will not be responsible for any cash, securities and/or other assets of the Company which are not deposited with or held to the Custodian's order. In particular, the Custodian will not be responsible for any cash, securities and/or other assets placed with co-custodians, brokers or any other party outside the Custodian's global custodian network or for any cash placed with any bank or financial institution which is not a member of the HSBC Group. In addition, neither the Custodian nor its employees or agents are responsible for any investment, asset or cash of the Company held in the PRC.

The Custodian is under no duty to supervise compliance with the investment objective and policies, investment restrictions, borrowing policy or operating guidelines of the Company. The Custodian will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by the Office of

Foreign Assets Control of the US Department of the Treasury.

The appointment of the Custodian may be terminated by not less than 90 days' notice in writing.

Neither the Custodian nor any of its delegates, employees or agents are or will be directly involved in the business affairs, organisation, sponsorship or investment management of the Company; nor responsible for the preparation or issue of this Offering Memorandum other than the description above.

The address of the Custodian is set out in the Directory.

Designated AML Officers

In accordance with the Anti-Money Laundering Regulations of the Cayman Islands and guidance issued by CIMA, the Company is required to appoint and has appointed natural persons to serve as its Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer ("**AML Officers**"). To obtain further information in respect of the AML Officers, please contact the Investment Manager using the contact information contained in this Offering Memorandum.

CHARGES AND EXPENSES

Investment Manager's fees

The Investment Manager will be entitled to receive from the Company an annual management fee of: (a) 1.12% of the Net Asset Value which is attributable to the A Class Shares (before deduction of any accrued management fee); and (b) 0.92% of the Net Asset Value which is attributable to the J Class Shares (before deduction of any accrued management fee), in each case calculated as at each Valuation Point and payable monthly in arrear, plus all direct out-of-pocket expenses reasonably incurred by the Investment Manager or any person, firm or company that the Investment Manager may appoint to carry out its duties under the Investment Management Agreement.

No annual management fee is payable in respect of the U Class Shares.

The Investment Manager may from time to time at its sole discretion and out of its own resources rebate to some or all Shareholders or their agents or to intermediaries, part or all of its management fees. Any such rebates may be applied in paying up additional Participating Shares to be issued to some or all Shareholders.

Sub-Investment Manager's fees

The Investment Manager will be responsible for payment of the Sub-Investment Manager's fees and expenses. The Sub-Investment Manager will not receive any compensation from the Company.

Administration and Custody Fees

The Administrator will receive administration fees for providing administration services to the Company and the Custodian will receive custodian fees for acting as the Company's custodian. Such fees will be calculated by reference to the Net Asset Value as at each Valuation Day and will be charged at reasonable rates as agreed between the Company and the Administrator or the Custodian, as the case may be, from time to time. The fees of the Administrator and the Custodian will accrue daily and will be payable monthly in arrears.

The Administrator and Custodian will also be entitled to be reimbursed for all out-of-pocket expenses incurred in the course of carrying out their duties.

The Administrator will be responsible for any fees payable to the Administrator's Delegate for

services provided in respect of the Company.

Directors' fees

The remuneration of the Directors is determined by a resolution of the Directors. As at the date of this Offering Memorandum, MFS is entitled to receive a fee of USD15,500 per annum for the services provided by both Kevin Solomon and Tammy Jennissen, as directors, which is paid out of the assets of the Company. As at the date of this Offering Memorandum, Suet Ting Wong (Sherry) is entitled to receive a fee of USD10,000 per annum paid out of the assets of the Company.

The Directors may be reimbursed all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Auditor's fee

The Company will pay the Auditor a customary fee charged at rate(s) to be agreed between the Company and the Auditor from time to time and reflective of services rendered.

Legal service providers fees

Legal counsel to the Company have received fees calculated on a combination of fixed fee and time spent basis in connection with the formation and launch of the Company and in connection with ongoing legal and regulatory advice and may continue to receive fees on such basis in connection with ongoing legal and regulatory advice.

General Expenses

The Company will bear the cost of all brokerage (if any) payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, fees payable in the Cayman Islands on increases in the share capital of the Company, the annual company registration fee payable in the Cayman Islands, the remuneration and reasonable travel, hotel and other expenses of the Directors, the fees and expenses of the Auditors and legal advisers to the Company, any issue or transfer taxes chargeable in connection with any investment transactions, communication expenses with respect to investor services, all expenses of meetings of Shareholders and of preparing, printing and distributing offering memoranda and similar documents, notices, proxy forms and the annual accounts and reports, litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business and all other corporate finance, organisational, operating and administrative expenses. Investors should note that, under IFRS, the establishment costs and the U Class Shares establishment costs should be expensed as incurred. However, under the amortisation schedules described above, the establishment costs and the U Class establishment costs are expected to be amortised over the first three financial years of the Company and over the first three years from the issue of the U Class Shares, respectively. The Investment Manager has considered the impact of such non-compliance and do not expect this issue to affect the results of the Company and the Net Asset Value materially.

CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Investment Manager and the Sub-Investment Manager may buy and sell investments on its own account. The Investment Manager and the Sub-Investment Manager may contract or enter into any arrangement with the Company or any other financial, commercial, advisory or other transactions with any person, firm or company, including investors in the Company or any entity whose securities form any part of the investments of the Company. Without prejudice to the generality of the foregoing, portfolio transactions may be conducted through affiliates of the Company or the Investment Manager.

The services of the Investment Manager and the Sub-Investment Manager will not be exclusive to

the Company, and the Investment Manager and the Sub-Investment Manager may render similar services to other persons, firms or companies so long as its services to the Company are not impaired thereby, and to retain for its own use and benefit all fees or other monies payable thereby. The Investment Manager and the Sub-Investment Manager will not be under any duty to disclose to the Company any fact or matter which comes to the attention of the Investment Manager or the Sub-Investment Manager, as applicable, or any employee or agent of the Investment Manager or the Sub-Investment Manager, as applicable, in the course of the Investment Manager and the Sub-Investment Manager, as applicable rendering similar services to others or in any business conducted by the Investment Manager and the Sub-Investment Manager or in any other capacity which is unrelated to the carrying out of its duties under the Investment Management Agreement and the Sub-Investment Management Agreement, as applicable.

The Investment Manager and the Sub-Investment Manager may have commercial relationships with entities in respect of whose securities the Investment Manager and the Sub-Investment Manager may advise the Company, or of which the Investment Manager, the Sub-Investment Manager or persons associated with the Company may be an officer or director.

Any director, officer or employee of the Company or of the Investment Manager or the Sub-Investment Manager may act in the capacity of director, officer, employee or agent of the other.

Some securities considered for investment by the Company may also be appropriate for other clients and/or funds advised or managed by the Investment Manager or the Sub-Investment Manager or by affiliates of the Investment Manager or the Sub-Investment Manager and/or for the Investment Manager's or the Sub-Investment Manager's own account. If the purchase or sale of securities consistent with the Company's investment objective and policies and one or more of these other clients, funds and/or the Investment Manager and/or the Sub-Investment Manager are considered at or about the same time, the Investment Manager and/or the Sub-Investment Manager, as applicable, will undertake that transactions in such securities will be allocated among the several clients, funds and/or the Investment Manager and/or the Sub-Investment Manager, as applicable, in a manner deemed fair and equitable by the Investment Manager and/or the Sub-Investment Manager, as applicable.

Each of the Directors, the Investment Manager and other Service Providers will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that any conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the interests of Shareholders as a whole.

Each of the Investment Manager, the Sub-Investment Manager and their affiliates reserve the right to co-invest on their own account or for other funds and/or other clients with the Company, although any such co-investment must be made on terms no better than those in which the Company is investing. Each of the Investment Manager, the Sub-Investment Manager and their affiliates may hold and deal in Participating Shares or in investments held by the Company either for their own account or for the account of their clients.

In addition, subject to the paragraphs below relating to the Investment Manager and the Sub-Investment Manager, any of the foregoing may deal, as principal or agent, with the Company provided that such dealings are carried out in good faith and as if effected on normal commercial terms negotiated on an arm's length basis.

The Investment Manager or the Sub-Investment Manager (as the case may be) may enter into transactions for the account of the Company with affiliated brokers or dealers, provided that such transactions are carried out on arm's length terms, consistent with best execution standards and at a commission rate no higher than customary institutional rates. The Company may deposit funds with or borrow funds from the Investment Manager, the Sub-Investment Manager or their affiliates, provided that: (i) in the case of a deposit, interest is received at a rate not lower than the prevailing commercial rate for a deposit of that size and term, and (ii) in the case of a loan, interest charged and fees levied in connection with the loan are no higher than the prevailing commercial rate for a

similar loan.

The Investment Manager or the Sub-Investment Manager (as the case may be) may enter into trades for the account of the Company with the accounts of other clients of the Investment Manager, the Sub-Investment Manager or their affiliates ("**cross trades**"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both the Company and the other clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution.

The Investment Manager, the Sub-Investment Manager and their respective associates or delegates will not deal with the Company as beneficial owner on the sale or purchase to or from the Company, except on a basis approved by the Directors from time to time, or without the consent of the Directors, otherwise deal with the Company as principal.

The Investment Manager, the Sub-Investment Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which they may be entitled from the Company. The Investment Manager, the Sub-Investment Manager and any person connected with any of them, including any employee of the Investment Manager, the Sub-Investment Manager or their respective associated companies, may invest in the Company, and the Investment Manager or the Sub-Investment Manager (as the case may be) may allow to any such person a reduction in and/or a rebate of any fees to which the Investment Manager or the Sub-Investment Manager (as the case may be) may be entitled from the Company.

Directors

The services of Kevin Solomon and Tammy Jennissen are provided pursuant to the Maples Agreement for the Provision of Directors, entered into between the Company and MFS. Kevin Solomon and Tammy Jennissen are employees of MFS. Each of Kevin Solomon and Tammy Jennissen may serve as a director of other investment vehicles or other companies or entities and, subject to any applicable confidentiality requirements, may use information which he or she obtains, produces or utilises in the performance of services for the Company in respect of such other investment vehicles.

The services of Suet Ting Wong (Sherry) is provided pursuant to the SHRK Agreement for the Provision of Directors, entered into between the Company, SHRK Pte. Ltd. and Suet Ting Wong (Sherry), among others. Suet Ting Wong (Sherry) is the Chief Executive Officer of SHRK Pte. Ltd.. Suet Ting Wong (Sherry) may serve as a director of other investment vehicles or other companies or entities and, subject to any applicable confidentiality requirements, may use information which she obtains, produces or utilises in the performance of services for the Company in respect of such other investment vehicles.

At all times so far as practicable the Directors will have regard to their obligations to act in the best interests of the Company and will seek to ensure that any conflict of interest is resolved fairly.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested. The Director will not be liable to account to the Company for any profit he derives from such a transaction or arrangement provided the nature of the interest has been disclosed to the other Directors.

A Director who has an interest in any particular business to be considered at a meeting of the Directors may vote at such meeting provided that the nature of such interest has been disclosed.

Save as disclosed elsewhere in this Offering Memorandum,

- (a) no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company;

- (b) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Company; and
- (c) except as otherwise disclosed in this Offering Memorandum, no Director (nor any spouse or child under 18 of a Director nor any connected person of a Director) has any interest, direct or indirect, in the share capital of the Company. Such persons may acquire Participating Shares on the same terms as other investors.

Save as may result from the entry by the Company into the agreements listed below in the section headed "Material Contracts" or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this Offering Memorandum, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

SOFT COMMISSION ARRANGEMENTS

The Investment Manager may receive goods or services from a broker or a dealer in consideration of directing transaction business on behalf of the Company to such broker or dealer provided that (i) the goods or services are of demonstrable benefit to the Company, and (ii) the transaction execution is consistent with best execution and is not in excess of customary full service brokerage rates.

Services may take the form of benefits including (i) research, (ii) special execution capabilities, (iii) clearance and settlement, (iv) net price, (v) on-line pricing, (vi) block trading and positioning capabilities, (vii) willingness to execute difficult transactions in the future, (viii) on-line access to data regarding clients' accounts, (ix) performance measurement and market information data, (x) advice, (xi) technical data, (xii) efficiency of execution and error resolution, (xiii) quotation services, (xiv) the availability of stocks to borrow, (xv) custody, (xvi) record keeping, and (xvii) payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

The goods and services which the Investment Manager is permitted to receive may not include (i) travel, (ii) accommodation, (iii) entertainment, (iv) general administrative goods and services, (v) general office equipment or premises, (vi) membership fees, (vii) employee salaries, (viii) direct money payments or (ix) any other goods and services as may be prescribed from time to time in any code or guideline issued by the Securities and Futures Commission of Hong Kong.

The Company may be deemed to be paying for these services with "soft" or commission dollars. Although the Investment Manager believes that the Company will demonstrably benefit from the services obtained with "soft" dollars generated by trades, the Company does not benefit from all of these "soft" dollar services because the Investment Manager and other accounts managed by the Investment Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Investment Manager uses "soft" or commission dollars to pay for expenses the Investment Manager would otherwise be required to pay itself.

The Investment Manager intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempt to allocate a portion of its brokerage business on the basis of that consideration. The investment information received from brokers, however, may be used by the Investment Manager and its affiliates in servicing other accounts and not all such information may be used by the Investment Manager in connection with the Company. The Investment Manager believes that such an allocation of brokerage business may help the Company to obtain research and execution capabilities and provides other benefits to the Company.

The relationships with brokerage firms that provide "soft" dollar services to the Investment Manager may influence the Investment Manager's judgement in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. The brokerage commissions that the Investment Manager pays to those firms, however, do not differ materially from and are not in excess of customary full brokerage

commissions that it pays to other firms for comparable services.

REPORTS, STATEMENTS AND MEETINGS

The annual audited accounts of the Company will be made up to the last day of February, being the Company's financial year end, in each year and sent to Shareholders as soon as practicable after the end of each financial year.

The annual reports and audited accounts of the Company will also be made available to investors free of charge upon request from the offices of the Investment Manager.

Such audited accounts will be filed with CIMA within six months of the Company's financial year end pursuant to the Company's obligations under the Mutual Funds Act as a regulated mutual fund.

The Company will prepare its annual accounts in accordance with IFRS. Investors should note that the valuation and accounting policies of the Company as described in this Offering Memorandum may not necessarily comply with IFRS. To the extent that the valuation and accounting policies adopted by the Company deviate from IFRS, the Directors may be required to make adjustments in the annual accounts of the Company in order that such accounts comply with IFRS. Non-compliance with IFRS may result in the Auditors issuing a qualified or an adverse opinion on the annual accounts of the Company depending on the nature and level of materiality of the non-compliance.

The Directors do not intend to hold regular annual general meetings but general meetings of the Company may be convened from time to time by the Directors by notice in writing to Shareholders.

All accounts, reports, notices and other documents will be sent to all holders on record, including all joint holders of Participating Shares, at his contact details as maintained by the Administrator's Delegate.

PricewaterhouseCoopers have been appointed as the auditors of the Company. The engagement letter to be entered into between the Company and the Auditors from time to time will contain terms governing the engagement of PricewaterhouseCoopers as Auditors, including provisions limiting the liability of the Auditors to the Company and provisions requiring the Company to indemnify the Auditors for its liabilities, costs and expenses in certain circumstances.

The fees charged by PricewaterhouseCoopers as auditor of the Company will not exceed normal commercial rates and will reflect the services provided to the Company by PricewaterhouseCoopers.

TAXATION

Investors should consult their professional advisers on the potential tax consequences of subscribing for, holding or redeeming Participating Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The following is based on the law and practice currently in force in the Cayman Islands and accordingly, is subject to changes therein.

Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Shareholders. The Cayman Islands are not party to any double taxation treaty with any country that is applicable to any payments made to or by the Company.

The Company has obtained an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Act (Revised) of the Cayman Islands, for a period of 20 years from 22 September 2009, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable: (a) on or in respect of the shares, debentures or other obligations of the Company; or (b) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

The Cayman Islands and FATCA

US Requirements

The Foreign Account Tax Compliance Act ("**FATCA**") provisions of the Hiring Incentives to Restore Employment Act ("**HIRE Act**") provide that the Company must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Company, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and the Cayman Islands ("**US IGA**") and implementing legislation and regulations which have been adopted by the Cayman Islands. If the Company fails to comply with these requirements, then a 30% withholding tax will be imposed on payments to the Company of United States source income. Although the Company will attempt to satisfy the obligations imposed on them to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In this regard, the Company may require investors to provide any documentation or other information regarding the investors and their beneficial owners that the Company determines is necessary or desirable for the Company to avoid the withholding tax and otherwise comply with the HIRE Act. If the Company becomes subject to a withholding tax as a result of the HIRE Act, the value of Participating Shares held by all Shareholders may be materially affected. The Cayman Islands legislation requires the Company to make an annual report to the Cayman Islands Tax Information Exchange Authority ("**Cayman TIA**"). Any information provided by the Company to the Cayman TIA will be shared with the Internal Revenue Service of the United States ("**IRS**").

Other Intergovernmental Agreements

It is possible that further inter-governmental agreements ("**future IGAs**") similar to the US IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries' fiscal authorities.

OECD Multilateral Competent Authority Agreement

Over 100 countries have signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**") for the implementation of the automatic exchange of tax information based on the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The CRS is similar in form and substance to the US IGA and applies in respect of each "participating jurisdiction" (as identified in a list published by the Cayman TIA). The implementation in the Cayman Islands is governed by the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (Revised) ("**CRS Regulations**"). As a result of this, Cayman Islands financial institutions, including the Company, have substantially expanded international tax compliance obligations and substantially expanded reporting obligations.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that: (i) the Company (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment; (ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS, HM Revenue & Customs, the United

Kingdom tax authority ("**HMRC**") and other fiscal authorities ("**Competent Authorities**") of CRS "participating jurisdictions"; (iii) the Company (or its agent or delegate) may be required to disclose to the IRS, HMRC and other Competent Authorities certain confidential information when registering with such authorities and if such authorities contact the Company (or its agent or delegate directly) with further enquiries; (iv) the Company may require the investor to provide additional information and/or documentation which the Company may be required to disclose to the Cayman TIA; (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Company, or a risk of the Company's or its investors' being subject to withholding tax under the relevant legislative or inter-governmental regime, the Company reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and (vi) no investor affected by any such action or remedy shall have any claim against the Company (or its agent or delegate) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with any of the US IGA, the CRS Regulations or any future IGAs or agreements, laws or regulations entered into or implemented by the Cayman Islands for the purpose of ensuring and/or enhancing international tax transparency.

Hong Kong

a) Taxation of the Company

The Company has not registered, and does not intend to register, a branch in Hong Kong pursuant to Part 16 of the Companies Ordinance (Cap 622) of Hong Kong. It is not intended that the Company will have any place of business in Hong Kong. However, the Company may be considered to have a permanent establishment in Hong Kong by virtue of the activities of the Investment Manager. As such no assurance can be given that the Company, notwithstanding being incorporated offshore Hong Kong, will not be considered by the Hong Kong Inland Revenue Department to be subject to Hong Kong profits tax. It is intended that the affairs of the Company will be conducted and managed in a manner which seeks to minimise any potential liability to Hong Kong profits tax.

Hong Kong imposes profits tax at a flat rate of 16.5% on incorporated persons, such as the Company, on profits (i) which have a Hong Kong source, and (ii) which are attributable to a trade, business or profession carried on in Hong Kong. Capital gains derived from the sale of investments generally are not considered to be profits for Hong Kong tax purposes, and thus are not subject to any Hong Kong tax. However, gains which are considered to be derived from a trading activity as opposed to mere investment activity carried on in Hong Kong may potentially be subject to Hong Kong profits tax.

Under Section 20 AN of the Inland Revenue Ordinance ("**IRO**"), a fund will be exempt from Profits Tax under the Profit Tax exemption effective 1 April 2019 ("**Funds Exemption**") where:

- The fund falls within the definition of a fund under Section 20AM of the IRO;
- The fund's profits are derived from qualifying transactions or incidental transactions; and
- The qualifying transactions have been carried out through or arranged by a specified person, which includes a corporation holding any licenses issued by the Securities and Futures Commission under Part V of the Securities and Futures Ordinance, or, (ii) the fund is otherwise a qualified investment fund.

Qualifying transactions are broadly defined to include transactions in securities such as shares, debentures, loan stock, funds, bonds or notes of, or issued by, an incorporated or unincorporated body, a government, and a private company or a Special Purpose Entity ("**SPE**") and the related rights, options or certificates of interest. In this context, a "private company" is defined to mean a company incorporated in or outside of Hong Kong that is not allowed to issue any invitation to the public to subscribe for any shares or debentures of the company. Subject to certain carve-outs, the investment in certain Hong Kong private companies is permissible under the Funds Exemption (excluding investment in Hong Kong real property).

Qualifying transactions also include futures contracts, foreign exchange contracts, and deposits

other than by way of money-lending business, foreign currencies and exchange-traded commodities.

If a transaction is not a qualifying transaction, but it is considered to be incidental to the carrying out of a qualifying transaction, the income from the incidental transaction will be exempt under the Funds Exemption provided that such income does not exceed 5% of the fund's total receipts derived from incidental transactions and qualifying transactions in a particular year. Examples of transactions which could be considered incidental to a qualifying transaction are dividends earned from listed securities and interest income derived from debentures, notes or bonds. If the income from the incidental transaction exceeded 5% of the total receipts derived from incidental transactions and qualifying transactions, the Hong Kong sourced income from such incidental transactions would be subject to tax in Hong Kong unless it is specifically exempt under another provision of the IRO (e.g. dividend income).

If a fund carries out transactions that do not fall within the definition of qualifying transactions, profits from such transactions may be subject to tax if they are considered as Hong Kong sourced and are not specifically otherwise exempt from tax.

It is intended that the activities of the Company will be conducted and managed in a manner such that the Company should qualify as exempt from Hong Kong Profits Tax under the Funds Exemption, or the Company would not derive any Hong Kong sourced profits / income. However, no assurance can be given that gains, profits and other income from certain investments will not give rise to a liability to Profits Tax in Hong Kong. By way of example, the Company could be exposed to Hong Kong Profits Tax to the extent that it trades certain non-qualifying investments and derives Hong Kong sourced profits from such investments.

b) Taxation of the Shareholders

Profits Tax

Profits arising from the disposal or redemption of shares in the Company will be subject to Profits Tax only if Shareholders are considered as carrying on a trade, profession or business in Hong Kong and such profits (except gains from the sale of capital assets) arose in or are derived from Hong Kong from such trade, profession or business carried on in Hong Kong. The nature of an asset as trading or capital will depend on the particular circumstances of each Shareholder. Shareholders should seek their own independent Hong Kong tax advice on this issue.

Hong Kong does not impose withholding tax on dividends and interest. Any distribution received by Shareholders from their investment in the Company should generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise) under the current law.

Under the Funds Exemption, Hong Kong resident investors in the Company may be deemed to be taxable on their share of the Company's underlying Hong Kong sourced trading profits made in the relevant year of income, notwithstanding the Company itself is exempted and no distribution has been made by the Company. These deeming provisions generally apply only where the Hong Kong resident, inter alia, alone or jointly with associates, holds a 30% or more beneficial interest in the Company which is tax exempt under the IRO. The deeming provisions can also apply where the Hong Kong resident investor holds any percentage of the beneficial interest in such exempt fund that is an associate of the Hong Kong resident investor. The deeming provision would not apply to a Hong Kong investor where the exempt fund is otherwise considered a bona fide widely held fund.

If a fund is authorised by the Securities and Futures Commission under the Securities and Futures Ordinance as a public fund, profits of that fund arising from the sale or disposal of securities, net investment income received by or accruing to that fund and other profits of that fund will be exempt from profits tax.

Stamp Duty

The registers of members of the Company will be maintained outside Hong Kong. Accordingly the Shares will not be considered as 'Hong Kong Stock' under the Stamp Duty Ordinance (Cap 117) of Hong Kong and a charge to Hong Kong stamp duty should not arise on the redemption or transfer of any Shares. There are no exchange controls in Hong Kong.

PRC

By investing in PRC Securities, the Company may be subject to taxes imposed by the PRC.

Corporate Income Tax

If the Company is considered as a PRC tax resident enterprise, it will be subject to PRC Corporate Income Tax ("**CIT**") at 25% on its worldwide taxable income; if the Company is considered as a non-PRC tax resident enterprise but has a permanent establishment ("**PE**") in the PRC, the profits and gains attributable to that PE would be subject to CIT at 25%.

It is the intention of the Investment Manager to operate the affairs of the Company such that they should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with an establishment or place of business in the PRC for CIT purposes, although this cannot be guaranteed. If the Company is a non-PRC tax resident enterprise without PE in the PRC, the PRC sourced income derived by it from the investment in PRC Securities would be subject to 10% PRC WIT in the PRC, unless exempt or reduced under the laws and regulations or any relevant tax treaty.

(i) Dividends and interest

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or any relevant tax treaties, non-tax resident enterprises including QFI without PE in the PRC are subject to CIT on a withholding basis, generally at a rate of 10%, to the extent it directly derives PRC sourced passive income (such as dividend income or interest income).

Under current regulations in the PRC, foreign investors (such as the Company) may invest in onshore PRC securities through a QFI. Since only the QFI's interests in onshore PRC securities are recognised under PRC laws, any tax liability would, if it arises, be payable by the QFI, subject to further interpretations and rules that may be issued in the future. Where tax is payable by the QFI, the QFI will pass on this liability to the Company. As such, the Company is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority. Under current PRC tax laws and regulations, a QFI is subject to a WIT of 10% on cash dividends, distributions and interest from the PRC Securities unless exempt or reduced under current PRC tax laws and regulations or any relevant tax treaties.

On 22 November 2018, the Ministry of Finance ("**MOF**") and State Taxation Administration ("**STA**") jointly issued circular Caishui [2018] No.108 ("**Circular 108**"), which stipulates that foreign institutional investors including QFIs are exempt from WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investment in PRC bond market. On 22 November 2021, the MOF and the STA jointly released MOF/STA PN [2021] No. 34 ("**PN 34**"), according to which the exemption of Circular 108 was extended up to 31 December 2025. Under the CIT law, interests derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC income tax under CIT law.

(ii) Capital gains

Based on the CIT law and its implementation rules, "income from the transfer of property" sourced from the PRC by non-PRC tax resident enterprises should be subject to 10% WIT unless exempt or reduced under the laws and regulations or any relevant tax treaty.

On 14 November 2014, the MOF, the STA and the CSRC of the PRC jointly released Caishui

[2014] No.79 ("**Circular 79**") to address the tax issues in relation to capital gains from equity investments derived by QFIs. Under Circular 79, for QFIs without an establishment or place of business ("**PE**") in the PRC (or having a PE but the income so derived in the PRC is not effectively connected with such PE), such gains will be temporarily exempt from tax if they are realized on or after 17 November 2014, and subject to tax in accordance with the applicable law if they are realized before 17 November 2014.

Circular 79 did not provide further guidance on whether the temporary exemption applies to securities other than A Shares. This being the case, the taxation on gain derived from the trading of PRC non-equity investment assets may be based on the provisions in the PRC tax laws regarding analogous investments. For an enterprise that is not a PRC tax resident and has no PE in the PRC, a 10% PRC withholding income tax ("**WIT**") shall apply to PRC sourced capital gains arising from investment in PRC securities other than A Shares, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. The PRC tax authorities have verbally indicated, on numerous occasions, that gain on disposal of PRC debt securities is non-PRC sourced income and hence not subject to PRC WIT. However, there is no specific written tax regulation to confirm the same. In practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realized from the disposal of PRC debt securities.

At the request of and based on the clarifications made by PRC tax authorities, the necessary QFI tax filing has been made by the QFI holder and accordingly, the Company has settled capital gains tax on its A Share investment with the QFI. Based on the outcome of the settlement and opinions received from external tax advisor, the Board of Directors has decided to not provide for PRC WIT on realized and unrealized capital gains arising from the trading of A Shares and PRC debt securities for the Company. Upon any further changes to tax law or policies, the Investment Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of the Company.

If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value may suffer more than the tax provision amount as the Company will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by the Investment Manager so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the Company.

*Value-added Tax ("**VAT**")*

Pursuant to Circular Caishui [2016] No. 36 ("**Circular 36**") regarding the final stage of VAT reform which came into effect on 1 May 2016, gains derived from the transfer of PRC securities are subject to VAT starting from 1 May 2016.

According to Circular 36, Circular Caishui [2016] No. 70 ("**Circular 70**"), gains derived by QFIs from the transfer of PRC securities will be exempt from VAT since 1 May 2016. According to Circular 70, gains derived by foreign institutional investors from the transfer of PRC onshore bonds that have been granted direct access to the CIBM by the People's Bank of China ("**PBOC**") are exempt from VAT.

Pursuant to Circular 36, interest income received by QFIs from investments in onshore PRC debt securities shall be subject to 6% VAT unless special exemption applies (see comments about Circular 108 and PN 34 below). According to Circular 36, deposit interest income is not subject to VAT and interest income earned on government bonds is exempted from VAT.

Circular 108 provides for VAT exemption in respect of bond interest income received by foreign

institutional investors from investments in the PRC bond market during the period from 7 November 2018 to 6 November 2021, which was extended up to 31 December 2025 according to PN 34. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 31 December 2025.

Dividend income or profit distributions on equity investment derived from the PRC are not included in the taxable scope of VAT. If VAT is applicable, there are also other surtaxes (which include urban construction and maintenance tax, education surcharge and local education surcharge) that would amount to as high as 12% of VAT payable.

Stamp duty

The seller will be liable for stamp duty at the rate of 0.1% of the sales consideration on the sale of PRC listed shares. No stamp duty is expected to be imposed on non-PRC tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds

Investment in A Shares via Stock Connect

On 14 November 2014 and 2 December 2016, the MOF, STA and CSRC issued Caishui [2014] No.81 ("**Circular 81**") and Circular Caishui [2016] No. 127 ("**Circular 127**") to clarify the PRC taxation issues on the Stock Connect. Pursuant to Circular 81 and Circular 127, effective 17 November 2014 and 5 December 2016 respectively, capital gains derived by foreign investors from the trading of A Shares through the Stock Connect will be temporarily exempt from CIT. Foreign investors are required to pay WIT on dividends at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the PRC listed companies. For investors who are tax resident of a jurisdiction which has concluded a tax treaty with the PRC, such investors may apply for a refund of the WIT overpaid if the relevant tax treaty provides for a lower PRC WIT on dividends. According to Circular 36 and Circular 127, VAT is exempted on gains derived by Hong Kong and overseas investors from the transfer of A Shares through the Stock Connect. The Company will be subject to PRC stamp duty at a rate of 0.1% of the sales consideration in respect of the disposal of A Shares via Stock Connect.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future, and any such change may result in higher taxation on PRC investments than currently contemplated and may have an adverse effect on the asset value of the Company. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Company invests in, thereby reducing the income from, and/or value of the Participating Shares.

Other Jurisdictions

The Company may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from its investments. Please refer to the section headed "QFI Risk – PRC Tax Risk" in respect of specific tax consequences related to QFI investments.

In view of the number of different jurisdictions, the laws of which Shareholders may be subject, no attempt is made in this Offering Memorandum to summarise the possible local tax consequences of the acquisition, holding or disposal of Participating Shares by investors domiciled or resident in any jurisdiction. Investors should consult their professional advisers on the possible tax, exchange control or other consequences of subscribing for, holding or redeeming Participating Shares under the laws of their country of citizenship, residence or domicile.

VALUATION AND PRICES

Calculation of the Net Asset Value

The Net Asset Value and the Net Asset Value per Participating Share of each Class will be calculated by the Administrator or the Administrator's Delegate as at the Valuation Point on each Valuation Day in accordance with the Company's Net Asset Value calculation policy (the "NAV Policy"). The Net Asset Value and the Net Asset Value per Participating Share of each Class may be calculated on days where no Participating Shares are issued or redeemed. In such circumstances, the Net Asset Value may be published, but it may only be used for the purpose of calculating performance, statistics or fees. Under no circumstances should it be used as a basis for subscription and redemption orders.

The below represents a summary of the NAV Policy. A copy of the NAV Policy is available on request from the Investment Manager.

Assets will be valued in accordance with the following principles:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received will be deemed to be the full amount thereof unless the Investment Manager determines that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof will be deemed to be such value as the Investment Manager deems to be the reasonable value thereof;
- (b) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a "**managed fund**") to which paragraph (c) below applies and subject as provided in paragraphs (d), (e) and (f) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market will be made by reference to the last traded price or "exchange close" on the principal exchange or market or evaluation price from vendors on the principal exchange or market for such investments as at the close of business in such place on the day as of which such calculation is to be made and where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker as the Investment Manager may designate) will be made by reference to the price quoted thereby; provided always that if the Investment Manager in its discretion considers that the prices ruling on an exchange or market other than the principal exchange or market provide in all the circumstances a fairer criterion of value in relation to any such investment, such prices may be adopted;
- (c) subject as provided in paragraphs (d), (e) and (f) below, the value of each unit, share or other interest in any managed fund which is valued as at the same day as the Company will be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Investment Manager so determines or if such managed fund is not valued as at the same day as the Company, the last published net asset value per unit, share or other interest in such managed fund (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest;
- (d) the value of any investment which is unquoted or not ordinarily dealt in on a market shall be the initial value thereof which is equal to the amount expended out of the Company in the acquisition of such investment (including in each case the amount of fiscal and purchase charges) and the Investment Manager shall cause a revaluation to be made on a regular basis by a professional person;
- (e) if no net asset value, bid, asked or redemption prices or price quotations are available as provided in paragraphs (b) or (c) above, the value of the relevant asset will be determined

from time to time in such manner as the Investment Manager will determine;

- (f) for the purpose of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Investment Manager, the Administrator, the Administrator's Delegate or their agents will be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Company and the prices provided by any such system will be deemed to be the last traded prices for the purpose of paragraph (b) above;
- (g) notwithstanding the foregoing, the Investment Manager may, at its absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and
- (h) any value (whether of a security or cash) denominated in a currency other than US dollars will be converted into US dollars at the rate (whether official or otherwise) which the Investment Manager in its absolute discretion deem appropriate in the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

Notwithstanding the foregoing, the Directors have ultimate responsibility for oversight of the valuation process of the assets of the Company.

The term "last traded price" referred to in paragraph (b) above, refers to the last traded price reported on the exchange or market for the day, commonly referred to in the market as the "settlement" or "exchange price", and represents a price at which members of the exchange settle between their outstanding positions. Where a security has not traded, the last traded price will represent the "exchange close" price as calculated and published by that exchange in accordance with its local rules and customs.

In valuing the assets of the Company, the Administrator or the Administrator's Delegate, as applicable, shall be entitled, without verification, further enquiry or liability on the Administrator's or the Administrator's Delegate's part, to rely on pricing information in relation to specified investments held by the Company which is provided by price sources stipulated in the Administration Agreement, this Offering Memorandum, the Articles and the NAV Policy, or in the absence of any such stipulated price sources, any price sources on which the Administrator or the Administrator's Delegate may choose to rely. Without limiting the foregoing, certain of the Company's assets and liabilities may not have readily observable market prices and the valuation of such assets may rely on quoted prices in inactive markets or models that have observable inputs. Certain other categories of assets (principally level 3 assets) may lack any readily available market information and, accordingly, the valuation of such assets may rely substantially on models and significant unobservable inputs including assumptions from market participants or the Administrator or the Administrator's Delegate, as applicable, may seek approval of prices from the Investment Manager. As such assets are not actively traded, their value can only be estimated using a combination of complex market prices, mathematical models and subjective assumptions.

The Administrator and the Administrator's Delegate will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Company using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator or the Administrator's Delegate, as applicable, may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Company (including, without limitation, private equity investments) which is provided to it by: (i) the Company, (ii) the Directors (or other governing body) or the Investment Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Company, the Directors (or other governing body) or the Investment Manager to provide valuations or pricing information of the assets or liabilities of the Company to the Administrator or the Administrator's Delegate, as applicable.

The Administrator, the Administrator's Delegate, and the Investment Manager to the extent it is

involved in the calculation of the Net Asset Value and Net Asset Value per Share, will apply all methodologies associated with the calculation of Net Asset Value on a consistent basis. The involvement of the Investment Manager in valuing hard to value assets and in connection with management exceptions is an integral part of the NAV Policy. This is because there are certain circumstances in which the Investment Manager is party to information regarding the Company's assets which is not generally available or because there is no publicly available information upon which the Administrator or the Administrator's Delegate, as applicable, may rely in calculating the net asset value of a certain asset. This is particularly the case with respect to level 3 assets in respect of which subjective assumptions may be key to mark to model valuation. Consistent methodologies are applied in respect of unobservable inputs and sensitivity analysis wherever applicable.

Investors should note that, under IFRS, investments should be valued at fair value and also that, under IFRS, bid and offer pricings are considered to be representative of fair value for listed investments. However, under the valuation basis described above, listed investments are expected to be valued at the last traded price instead of bid and offer pricings as required under IFRS which may lead to a different valuation had the valuation be performed in accordance with IFRS. The Investment Manager has considered the impact to such non-compliance and do not expect this issue to materially affect the results of the Company and the Net Asset Value.

The Net Asset Value per Participating Share of each Class will be determined by allocating pro rata the Net Asset Value, as at the relevant Valuation Point, among each Class, adjusting the amount so calculated to reflect any fees, costs, foreign exchange items or other assets or liabilities which are properly attributable to a specific Class and then by dividing the resultant amount by the number of Participating Shares of such Class then in issue. The Net Asset Value per Participating Share will be rounded to the nearest cent in the case of the A Class Shares and the U Class Shares and to the nearest Yen in the case of the J Class Shares or such other amount as the Directors may determine and the benefit of any such roundings may be retained by the Company.

Publication of Net Asset Value

The most recent Net Asset Value per Share of the Company will be provided to Shareholders by the Administrator as soon as reasonably practicable after the relevant Valuation Day and will also be available from the Administrator on request.

Review of NAV Policy

The Directors have ultimate responsibility for oversight of the entire valuation process and the Directors and the Investment Manager review at least annually the NAV Policy and any models adopted in respect of the pricing of the Company's assets.

Suspension of Calculation of the Net Asset Value

The Articles provide that the Directors may, from time to time, in their absolute discretion and for any reason, determine to postpone or suspend (i) the calculation of the Net Asset Value per Participating Share of any one or more Classes (and the applicable Valuation Day); (ii) the issue of Participating Shares of any one or more Classes (and the applicable Subscription Day); (iii) the redemption (in whole or in part) of Participating Shares of any one or more Classes (and the applicable Redemption Day); and/or (iv) the payment of any redemption proceeds (even if Valuation Days and Redemption Days are not postponed). Notwithstanding the generality of the foregoing, the Directors reserve the right to declare a Suspension for the whole or any part of a period:

- (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Company is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or
- (b) when circumstances exist as a result of which in the reasonable opinion of the Directors it

is not reasonably practicable for the Company to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Shareholders; or

- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments of the Company or the Net Asset Value or the Net Asset Value per Participating Share or when for any other reason the value of any of the investments or other assets of the Company or the Net Asset Value or the Net Asset Value per Participating Share cannot in the opinion of the Directors reasonably or fairly be ascertained; or
- (d) during which the Company is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares or during which any transfer of funds involved in the realisation or acquisition of investments of the Company or payments due on redemption of Participating Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or
- (e) when the business operations of the Investment Manager, the Administrator or the Administrator's Delegate in respect of the Company are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, pandemic or acts of God.

Any partial suspension of redemptions of Participating Shares will be effected on a pro rata basis and any redemption requests which have been suspended will have priority on any subsequent Redemption Day according to the length of time for which they have been outstanding.

All reasonable steps will be taken to bring any period of Suspension to an end as soon as possible.

The Directors shall promptly notify all affected Shareholders of any such suspension and shall promptly notified such Shareholders upon termination of such Suspension.

Subscription Price and Redemption Price of Participating Shares

The Subscription Price of each Participating Share for any relevant Subscription Day will be the Net Asset Value per Participating Share of the relevant Class calculated as at the Valuation Point on the Valuation Day immediately preceding such Subscription Day. The Directors may add to the Subscription Price per Participating Share (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect fiscal and purchase charges which would be incurred for the account of the Company in investing an amount equal to the Subscription Price. The Directors may also add, in their discretion, an amount equal to any stamp duty and any other governmental taxes or charges payable by the Company with respect to the issue of such Participating Shares. The Redemption Price of each Participating Share for any relevant Redemption Day will be the Net Asset Value per Participating Share of the relevant Class calculated as at the Valuation Point on the Valuation Day immediately preceding such Redemption Day. The Directors may deduct from the Redemption Price such amount which they consider to be an appropriate allowance to reflect fiscal and sale charges which would be incurred for the account of the Company in realising assets or closing out positions to provide funds to meet any redemption request.

The latest Subscription Price and Redemption Price are available on request from the Administrator.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles comprise the constitution of the Company.

Memorandum of Association

Clause 3 of the Memorandum provides that the Company's objects are unrestricted and that the Company has full power and authority to carry out any object not prohibited by law.

The authorised share capital of the Company is US\$50,000 being made up of 100 Management Shares and 49,900,000 Participating Shares.

The Management Shares are issued primarily for the purpose of enabling all the Participating Shares to be redeemed without liquidating the Company.

A Management Share was allotted and issued to the subscriber to the Memorandum and has been transferred to the Investment Manager. The remaining 99 Management Shares have been allotted and issued to the Investment Manager at par and are fully paid.

Articles of Association

The Articles provide, *inter alia*, as follows:

Share Capital

No right of pre-emption or first refusal will attach to any shares in the Company.

The Company may by Ordinary Resolution increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel any unissued shares.

Subject to the provisions of Cayman Islands law and the Articles, the Company may by Special Resolution reduce its share capital or any capital redemption reserve fund.

Liquidation

The Company may be wound up by a Special Resolution. If the Company is wound up, the liquidator will apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. Subject to the special rights attaching to Participating Shares of any Class, the balance will then be applied in the following priority:-

- (a) firstly, to the holders of Management Shares, an amount equal to the par value of such Management Shares; and
- (b) secondly, the balance will be paid to the holders of Participating Shares of each Class in proportion to the Net Asset Value per Participating Share of the Participating Shares of the Class held, subject to a deduction from those Participating Shares in respect of which there are monies due, of all monies due to the Company for unpaid calls, or otherwise.

Quorum and Voting Rights

Except where there are no Participating Shares in issue, the holder of a Management Share will not (in respect of such Management Share) have the right to receive notice of, attend at or vote as a Member at any general meeting of the Company. The holder of a Participating Share will (in respect of such Participating Share) have the right to receive notice of, attend at and vote as a Member at any general meeting of the Company and at a separate meeting of the holders of Participating Shares of the Class held convened in accordance with the Articles.

No business will be transacted at any general meeting of the Company unless a quorum is present. A quorum shall be one or more Members (present in person, by proxy or authorised corporate representative, as the case may be) entitled to attend and vote and representing not less than 20% in par value of all of the Participating Shares in the Company in issue and carrying the right to vote at the meeting.

Subject to any rights or restrictions attached to any shares in the Company, on a show of hands every Member holding shares carrying the right to vote on the matter in question who (being an individual) is present in person or by proxy or (if a corporation or other non-natural person) is present by its duly authorised representative or by proxy, will have one vote and on a poll every such Member will have one vote for every share of which he is the holder.

Transfer of Shares

Subject to the Articles, Participating Shares in the Company may not be transferred without the prior written approval of the Directors (which may be withheld for any or no reason).

The Directors will not register any transfer of any share in the Company to any person who is, in the opinion of the Directors, not an Eligible Investor.

Any proposed transferee must provide to the Directors such information and documents as the Directors may request, including, without limitation, such documents or information as the Directors deem necessary or desirable:

- (a) to enable the Directors to determine that the proposed transferee is an Eligible Investor; and
- (b) to enable the Company to comply with all applicable laws, including anti-money laundering laws.

The instrument of transfer of any share must be in writing and must be executed by or on behalf of the transferor (and, if the Directors so require, signed by or on behalf of the transferee). The transferor will be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company.

Directors

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with such Director's office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

A Director may act alone or by such Director's firm in a professional capacity for the Company and the Director or such Director's firm will be entitled to remuneration for professional services as if such Director were not a Director or alternate Director.

A Director or alternate Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director or alternate Director will be accountable to the Company for any remuneration or other benefits received by such Director or alternate Director as a director or officer of, or from such Director or alternate Director's interest in, such other company.

No person will be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor will any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor will any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director (or such Director's alternate Director in such Director's absence) will be at liberty to vote in respect of any contract or transaction in which such Director is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction is disclosed by such Director at or prior to such Director's consideration and any vote thereon.

A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which such Director has an interest, and after such general notice it will not be necessary to give special notice relating to any particular transaction.

The remuneration to be paid to the Directors, if any, will be such remuneration as the Directors determine. The Directors will also be entitled to be paid all travelling, hotel and other expenses

properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

The Directors may by resolution approve additional remuneration to any Director for any services other than such Director's ordinary routine work as a Director. Any fees paid to a Director who is also counsel to the Company, or otherwise serves it in a professional capacity, will be in addition to such Director's remuneration as a Director.

Every Director and officer of the Company (which for the avoidance of doubt, shall not include auditors of the Company), together with every former Director and former officer of the Company (each an **"Indemnified Person"**) will be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person will be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or wilful default of such Indemnified Person. No person will be found to have committed actual fraud or wilful default unless or until a court of competent jurisdiction has made a finding to that effect.

The Company will advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses, the Indemnified Person must execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to the Articles. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party will not be indemnified with respect to such judgment, costs or expenses and any advancement must be returned to the Company (without interest) by the Indemnified Person.

The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

At any time when the Company is a mutual fund (as such terms are defined in the Mutual Funds Act) registered with CIMA pursuant to section 4(4) of the Mutual Funds Act, the Directors may be appointed and removed by a resolution passed by a majority in number of Members holding Participating Shares on a show of hands at a general meeting of the Company duly convened and held or by the delivery of a notice to the Company to such effect signed by a majority in number of Members holding Participating Shares. In all other circumstances, the Company may, by Ordinary Resolution, appoint any person to be a Director and may, by Ordinary Resolution, remove any Director.

GENERAL INFORMATION

Variation of offering terms

Subject to applicable law, the Company may amend this Offering Memorandum without the approval of Shareholders, to vary the offering terms applicable to any Participating Shares (as distinct from the modification of the rights attaching to a Class, as discussed above) in any of the following ways:

- (a) by making any change that, in the opinion of the Directors, will not adversely affect the Shareholders in any material respect; or

- (b) by making a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any relevant regulator, court of competent jurisdiction, government or government entity, including any tax authority, provided that such change is made in a manner that minimises, to the extent practicable, any adverse effect on the Shareholders; or
- (c) by making any change that the Directors consider may or is likely to adversely affect the Shareholders in a material respect (including amendments to the trading program, fees charged to the Company by the Investment Manager and the liquidity terms of the Participating Shares), provided that any such amendment does not become effective until after the affected Shareholders have been given written notice of the change and have had the opportunity to redeem any Participating Shares so affected.

The Company may amend this Offering Memorandum to vary the offering terms applicable to any Participating Shares with the consent of the Shareholders owning a majority by value of all outstanding Participating Shares of the relevant Class or Classes at the time of the amendment provided that such amendment does not discriminate amongst Shareholders. A meeting convened to consider such an amendment will generally follow the provisions of the Articles relating to general meetings. If the Company seeks such approval from Shareholders, then following the giving of notice of the proposed amendment, the Company shall request a response for or against the proposed amendment. The Company shall deem a lack of response from a Shareholder to constitute the consent of such Shareholder to the amendment.

The Company may enter into side letters with certain prospective or existing Shareholders whereby such Shareholders may be subject to terms and conditions that are more advantageous than those set out in this Offering Memorandum. Such terms and conditions may, for example, provide for: special rights to make future investments in the Company; special redemption rights relating to frequency, notice, a reduction or rebate in fees and/or other terms; rights to receive reports in relation to the Company on a more frequent basis and such other rights as may be agreed with such Shareholders. The modifications are solely at the discretion of the Directors and may, among other things, be based on the size of the relevant Shareholder's investment in the Company or affiliated investment entity, an agreement by the Shareholder to maintain such investment in the Company for a significant period of time, or other commitment by the Shareholder.

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company and are, or may be, material:

- (a) the Administration Agreement;
- (b) the Custodian Agreement;
- (c) the Investment Management Agreement;
- (d) the Maples Agreement for the Provision of Directors; and
- (e) the SHRK Agreement for the Provision of Directors.

Mutual Funds Act

The Company is a regulated mutual fund under the Mutual Funds Act, but it is not required to be registered under the laws of any other jurisdiction. Neither CIMA nor any other governmental authority in the Cayman Islands has passed judgement upon or approved the terms or merits of this Offering Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

Confidential Information

- (a) The Company will be entitled to retain any information it receives, whether within or outside the Cayman Islands, in such manner as it shall, in its absolute discretion, consider appropriate. The Company reserves the right to engage such agents, whether within or outside the Cayman Islands, as, in its absolute discretion, it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations.
- (b) Save as described below, the Company, the Administrator, the Administrator's Delegate and the Investment Manager will treat information received from investors as confidential and will not disclose such information other than:-
 - (i) to their professional advisers or other service providers, whether within or outside the Cayman Islands, where the Company, the Administrator, the Administrator's Delegate or the Investment Manager (as applicable) considers such disclosure necessary or appropriate in the normal course of business or to enable it to conduct its affairs; or
 - (ii) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank, governmental or other regulatory or taxation agency authority.
- (c) Information supplied by investors on Application Forms and otherwise in connection with their subscriptions ("**Relevant Information**") may be held by the Administrator and the Administrator's Delegate and will be used for the purposes of processing their subscriptions and completion of information on the register of members, and may also be used for the purpose of carrying out their instructions or responding to any enquiry purporting to be given by them or on their behalf, dealing in any other matters relating to their holding of Participating Shares including the mailing of reports or notices, forming part of the records of the recipient as to the business carried on by it, observing any legal, governmental or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements to which any recipient of the data is subject). All such information may be retained after the winding up of the Company or the transfer of an investor's holding of Participating Shares.
- (d) The Administrator and the Administrator's Delegate may, subject to the requirements of applicable law relating to personal information, disclose and transfer Relevant Information to the Directors, the Custodian, any other custodian or prime broker appointed by or on behalf of the Company, the Auditors and the Investment Manager including any of their employees, officers, directors and agents and/or their affiliates or to any third party employed to provide administrative, computer or other services or facilities to any person to whom data is provided or may be transferred as aforesaid and/or to any regulatory authority entitled thereto by law or regulation (whether statutory or not) in connection with the investor's investment in the Company, which persons may be persons outside Hong Kong. All individual investors have the right of access to, and to update, all their records (whether held on computer files or manually) held by the Administrator's Delegate. A copy of such record will be provided to an investor who requests it, upon the payment of a modest administration charge to cover the costs of complying with such requests. Requests should be made in writing to the Administrator's Delegate at its address below in the section headed "Directors and Other Parties".
- (e) Each investor will be required to consent to the recording of telephone conversations between the Administrator, the Administrator's Delegate and itself; and each investor will be required to acknowledge that any such tape recordings may be submitted in evidence in any proceedings relating to the service agreements between the Administrator and the Company.

By subscribing for Participating Shares, an investor is deemed to consent to any such disclosure.

Requests for Information

Subject to applicable laws and regulations, the Company, the Service Providers or any of their delegates may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdiction (including but not limited to the IRS), certain information in relation to the Company or any Shareholder, including but not limited to information relating to leverage, the assets and liabilities and securities financing transactions of the Company, a Shareholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder's holdings of Participating Shares, to enable the Company, the Service Providers or any of their delegates to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA). Disclosure of confidential information in connection with this paragraph shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Company, the directors or agent of the Company, may be prohibited from disclosing that the request has been made.

Inspection of Documents

Copies of the following documents are available for inspection free of charge at any time during normal business hours on any Business Day at the offices of the Investment Manager and copies thereof may be obtained from the Investment Manager at its offices on payment of a reasonable fee.

- (a) the Memorandum and the Articles;
- (b) the agreements listed above in the section headed "Material Contracts";
- (c) the Companies Act;
- (d) the Mutual Funds Act; and
- (e) the latest financial reports (including audited financial statements) of the Company.

Enquiries

Enquiries or complaints concerning the Company and the Participating Shares (including information concerning subscription and redemption procedures and current Net Asset Value) should be directed to the Investment Manager, attention: Customer Services team, at the address in the Directory above. The Investment Manager will handle or channel to the relevant party any enquiries or complaints from Shareholders and will revert to the Shareholders accordingly.

APPENDIX

Summary of Liquidity Risk Management Policy

(a) Governance Structure

The Investment Manager has established comprehensive risk management policies and procedures to manage and mitigate the Company's exposure to significant market, liquidity and operational risks.

The board of directors (the "**Board**") of the Investment Manager provides general oversight of the Company's investment programme and operations in accordance with the Investment Manager's liquidity risk management policies and procedures.

(b) Liquidity Risk Management Policy

The Investment Manager has, as part of its overall risk management programme, established liquidity risk management policies and procedures which are reviewed periodically from time to time.

The key elements to the Investment Manager's risk management policy include (but not limited to) the following in accordance with its liquidity risk management policies and procedures:

Considering risk appetite – The Investment Manager considers the liquidity risks facing the Company to ensure that the Company's dealing arrangements are appropriate for its investment strategy and underlying assets. Among other things, the Investment Manager seeks to (a) understand and align the liquidity profile of the Company's liabilities with the liquidity profile of the Company's assets, (b) understand investors' historical and expected redemption patterns, and (c) determine an appropriate dealing frequency taking into account the liquidity profile of the Company and investors' redemption patterns.

Ongoing liquidity risk assessment through qualitative and quantitative evaluations – The Investment Manager assesses, on a regular basis, the liquidity profile of the Company's assets and liabilities by taking into account various factors. Examples are as follows:

- Broad-based market conditions including interest rate and credit environments & market prices – historical and current
- Cash flows/ liquidity demands, i.e. large outflows, historical and expected redemptions
- Dealer inventories
- Transaction costs
- Significant market volatility impacting flows
- Fund closures
- Other potential sources of liquidity risks such as margin calls for derivatives
- Collateral needs
- Investor profile

The Investment Manager assesses the Company's liquidity position against the internal liquidity indicators.

Stress-testing – Liquidity stress tests are conducted on an ongoing basis as appropriate based on

various scenarios, including scenarios based on both backward-looking historical market conditions and redemption demands of the Company as well as forward-looking hypothetical scenarios to assess the Company's ability to meet redemption obligations and the impact on the remaining Shareholders when there is a significant decrease in the liquidity of underlying assets or a significant increase in redemption requests. Stress test results will be reviewed by the Board to determine whether further action will be required.

(c) Liquidity Risk Management Tools

The Investment Manager may utilize the following liquidity management tools in order to protect the interests of the investors:

- Suspension of redemption - The Investment Manager (on behalf of the Directors) has discretion to suspend redemptions or delay the payment of any moneys or the transfer of any securities in specie under exceptional circumstances, such as the closure, suspension or restriction of trading on any markets. Please refer to sub-section "Suspension of Calculation of the Net Asset Value" of the Offering Memorandum for more information.
- Redemptions in specie – The Investment Manager (on behalf of the Directors) has discretion to agree with a redeeming Shareholder that the Company will meet the whole or part of the redemption request in specie, by transferring underlying assets of an equivalent value to the redeeming Shareholder. Please refer to subsection "Redemptions of Participating Shares" of the Offering Memorandum for more information.

**SUPPLEMENT TO THE OFFERING MEMORANDUM DATED 28 FEBRUARY 2022
IN RESPECT OF PARTICIPATING SHARES IN UBS (CAY) DYNAMIC CHINA A SHARE FUND**

This Supplement updates, amends, modifies and supersedes the terms set out in the offering memorandum of UBS (CAY) Dynamic China A Share Fund (the **Fund**) dated 28 February 2022, as may be amended from time to time (the **Memorandum**).

This Supplement forms part of, and must be read together with the Memorandum. A copy of the Memorandum has been furnished to you together with this Supplement. If you have not received the Memorandum please contact the Investment Manager.

Capitalised terms not defined herein are defined in the Memorandum.

Addition of Further Information

The following wording is added to the sub-section titled 'Investment Policy' that sits within the section titled 'Investment Objective and Policies':

"Investors may access the website of the Investment Manager at <https://www.ubs.com/hk/en/assetmanagement> for further information, including information on UBS Asset Management's Environmental, Social, and Governance strategy."

immediately following the paragraph detailing how the Sustainability Exclusion Policy of the Investment Manager may be accessed.

The Memorandum is amended to reflect the change above, which shall take effect from 18 November 2022.

18 November 2022